

Southern Star Central Gas Pipeline, Inc. 4700 Hwy 56 P.O. Box 20010 Owensboro, Kentucky 42301 Phone 270/852-5000

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Email: cindy.c.thompson@sscgp.com

June 11, 2018

Ms. Kimberly D. Bose, Secretary Federal Energy Regulatory Commission 888 First Street, N.E., Room 1A Washington, D.C. 20426

Re: Southern Star Central Gas Pipeline, Inc.
Prior Notice Request for Authorization to
Increase Maximum Operating Pressure (MOP) of Blue
Mountain Chisholm Trail Lateral in Grady County, OK
Docket No. CP18-_____-000

Dear Secretary Bose:

Southern Star Central Gas Pipeline, Inc. (Southern Star), pursuant to the authority of its blanket certificate issued in Docket No. CP82-479-000 and the provisions of Sections 157.205 and 157.208 of the regulations of the Federal Energy Regulatory Commission (Commission), submits for eFiling a Prior Notice Request for Authorization to increase the maximum operating pressure (MOP) on Southern Star's Blue Mountain Chisholm Trail Lateral (also referred to as "Line VP-079") pipeline in Grady County, Oklahoma.

The electronic files include the following documents, which have been classified as "Public" or "Critical Energy Infrastructure Information" (CEII) as noted below.

Public Files

- This transmittal letter describing the filing and its content.
- Prior Notice of Proposed Blanket Certificate Activity. Proposed activity is to increase the MOP of Line VP-079 to its maximum allowable operating pressure (MAOP) as established by hydrostatic testing. No facilities or work is required for this paper pressure increase.
- Exhibit F General Location of Facilities (Map)
- Exhibits G and G-II (cover sheet only)
- Form of Federal Register Notice

Critical Energy Infrastructure Information (CEII) Files

• Exhibits G and G-II – Flow Diagrams and Flow Diagram Data – Critical Energy Infrastructure Information (CEII) Southern Star requests that the Commission accord non-public treatment to the eFiled documents containing CEII information in a manner consistent with Sections 388.112 and 388.113 of the Commission's regulations. Each page is labeled CUI//CEII per the Commission's May 3, 2018 Notice of Document Labelling Guidance for Documents Submitted to or Filed with the Commission or Commission Staff. Each page is also marked "Contains Critical Energy Infrastructure Information – Do Not Release" pursuant to 18 C.F.R. § 388.113(d)(1)(ii). Southern Star requests that its flow diagrams be granted CEII treatment because they contain specific engineering, vulnerability and detailed design information about Southern Star's interstate transmission system. The CEII should apply for the maximum period (currently five years).

Pursuant to the Commission's electronic filing guide,¹ Southern Star is eFiling this Prior Notice and will provide two complete copies to the Commission (OEP Room 62-46).

Please call the undersigned at (270) 852-4655 with any questions regarding the documents.

Respectfully submitted,

/s/ Cindy C Thompson

Manager, Regulatory

Enclosures

¹ Federal Energy Regulatory Commission Filing Guide/Qualified Documents List (February 14, 2017), available at https://www.ferc.gov/docs-filing/efiling/filing.pdf.

UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

In the Matter of)	
) Docket No. CP 18	000
Southern Star Central Gas Pipeline, Inc.)	

REQUEST FOR AUTHORIZATION TO INCREASE MAXIMUM OPERATING PRESSURE UNDER THE PRIOR NOTICE PROCEDURES OF SECTION 157.205

Southern Star Central Gas Pipeline, Inc. ("Southern Star") herewith submits a prior notice request under the provisions of its blanket certificate (Docket No. CP82-479-000) and Sections 157.205 and 157.208 of the regulations of the Federal Energy Regulatory Commission ("Commission") to increase the maximum operating pressure on Southern Star's Blue Mountain Chisholm Trail Lateral (also referred to herein as "Line VP-079") pipeline in Grady County, Oklahoma.

APPLICANT

The exact legal name of the party tendering the request is Southern Star Central Gas Pipeline, Inc., and its principal place of business is located at 4700 State Highway 56, Owensboro, Kentucky 42301. Southern Star is a corporation organized and existing under the laws of the State of Delaware and is duly authorized to conduct business in the states of Colorado, Delaware, Kansas, Kentucky, Missouri, Nebraska, Oklahoma, Texas and Wyoming. Southern Star is a natural gas company as defined in Section 1(b) of the Natural Gas Act ("NGA"), and engaged in the

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business of storing and transporting natural gas in interstate commerce under authorizations granted by the Commission.

COMMUNICATIONS

Correspondence and communications regarding this request are to be addressed to:

Cindy C. Thompson Mark Luckett
Manager, Regulatory Lead Attorney
Southern Star Central Gas Pipeline, Inc. Southern Star G

Southern Star Central Gas Pipeline, Inc.

Southern Star Central Gas Pipeline, Inc.

4700 State Highway 56 4700 State Highway 56

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(270) 852-4655 (270) 852-4945

<u>Cindy.C.Thompson@sscgp.com</u> <u>Mark.Luckett@sscgp.com</u>

The above listed persons are designated to receive service pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure, 18 CFR §385.2010 (2011), and eService is requested in lieu of paper copies.

BACKGROUND

Southern Star's Blue Mountain Chisholm Trail Lateral consists of approximately 4.67 miles of 12-inch diameter lateral pipeline beginning at the point of demarcation with Blue Mountain Midstream LLC's lateral line in S31, T9N, R6W, where a receipt meter station was constructed, and terminating at the interconnection with Southern Star's VP 16-inch pipeline in S11, T8N, R6W in Grady County, Oklahoma. Southern Star's Blue Mountain Chisholm Trail Lateral was authorized and constructed pursuant to a prior notice request filed November 14, 2017 in Commission Docket No. CP18-17-000. As stated in that prior notice request, and as shown in the Exhibit G-IIs filed in that docket, the maximum allowable operating pressure ("MAOP") of the

Blue Mountain Chisholm Trail Lateral Is 1,460 pounds per square inch gauge ("psig"). Southern Star's Blue Mountain Chisholm Trail Lateral was placed into service on March 16, 2018.¹

The Exhibit G-II submitted with the CP18-17 prior notice request showed an MAOP for the new pipe (Southern Star's Blue Mountain Chisholm Trail Lateral) of approximately 1460 psig. In response to an informal information request from Commission staff, revised flow diagrams, including a revised Exhibit G-II, were filed on December 9, 2017. The revised Exhibit G-II also showed an MAOP of 1460 psig. Neither Exhibit G-II explicitly stated a lower maximum operating pressure ("MOP"). With no lower MOP stated in either Exhibit G-II, it may be appropriate to consider the MOP of Southern Star's Blue Mountain Chisholm Trail Lateral as equal to the stated MAOP of 1460 psig. However, in its Exhibit F-1, Environmental Resource Report 1, Section 1.1.3 *Pipeline Facilities*, Southern Star stated that "The design maximum allowable operating pressure (MAOP) for Line VP-079 will be 1,460 pounds per square inch gauge (psig), but it will be operated at a maximum operating pressure of 650 psig." (Emphasis added.) This request is being submitted to eliminate any confusion as to the MOP and to clarify that the MOP of Southern Star's Blue Mountain Chisholm Trail Lateral is equal to the MAOP of 1460 psig.

PURPOSE OF REQUEST: MOP UPRATE

At the request of Blue Mountain Midstream LLC, the sole interconnected party on Line VP-079, Southern Star intends to operate Line VP-079 at pressures above the 650 psig maximum operating pressure described in Exhibit F-1 in Docket No. CP18-17. While the Exhibit G-II information filed in that docket may be read as authorizing a higher maximum operating pressure

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¹ Line VP-079 was placed in service March 16, 2018; all facilities associated with the Southern Star Blue Mountain Chisholm Trail Project in Docket No. CP18-17 were placed in service by March 31, 2018.

equal to the MAOP, Southern Star is submitting this prior notice request out of an abundance of caution to increase the MOP of Southern Star's Blue Mountain Chisholm Trail Lateral above the 650 psig level stated in Exhibit F-1 in Docket No. CP18-17. For the reasons stated herein, this increase in MOP is in the public convenience and necessity.

The attached Exhibit F contains a map showing Southern Star's Blue Mountain Chisholm Trail Lateral. The lateral was designed to transport up to 150,000 million cubic feet per day (mcf/d) at an MAOP of 1460 psig. The 12-inch diameter pipeline consists of predominately .250-inch wall thickness pipe with .312-inch wall thickness pipe at various road crossings and other applicable points. The lateral was built to meet Class I design criteria, except at road crossings which were built to Class II design criteria. As previously stated the MAOP of the lateral is 1,460 psig. In this filing, Southern Star is not proposing to increase the MAOP, but is proposing to clearly establish an MOP equal to the MAOP.²

Southern Star desires to increase the MOP on the Line VP-079 to enable it to maximize the receipt of potential additional volumes on the lateral as they may become available. Due to its original design and construction, and to the fact it was hydrostatically tested at the time of its installation at a sufficiently high pressure so that it qualifies for a 1460 psig MAOP, no specific work or facilities are required to uprate the MOP and only recognition of this increase of the

² 18 CFR Section 157.208 (f) (2) provides that "facilities authorized by the certificate shall not be operated at pressures exceeding the maximum operating pressure set forth in the request. In the event that the certificate holder thereafter wishes to change the maximum operating pressure of ... facilities

constructed under this section, it shall file an appropriate request pursuant to the procedures set forth

in §157.205(b)."

certificated MOP is necessary.³ However, as discussed below, associated auxiliary facilities will be installed under separate Commission regulations in order to allow for Southern Star to effectively utilize the higher MOP (see Exhibit F).

The auxiliary facilities to be installed in association with the increase in MOP will be installed on existing facilities already in service pursuant to Section 2.55 (a) of the Commission's regulations. The auxiliary facilities consist of installation of a regulator setting at the terminus of Southern Star's Blue Mountain Chisholm Trail Lateral, where the pipeline interconnects with Southern Star's VP 16-inch pipeline in S11, T8N, R6W in Grady County, Oklahoma.⁴ The estimated cost of the auxiliary facilities, which are depicted on the Exhibit F map, is less than \$700,000.⁵ After installation of the auxiliary facilities Southern Star anticipates Line VP-079 will typically be operated in a pressure range of 1000 to 1050 psig, well below the MOP/MAOP of the line.

ENVIRONMENTAL AND LANDOWNER CONCERNS

As described above, no additional testing, work or facilities are required to increase the MOP of Southern Star's Blue Mountain Chisholm Trail Lateral from 650 to 1460 psig, so there will be no landowner or environmental consequences as a result of this pressure uprate. Likewise,

³ Upon construction and installation of the pipeline in the first quarter of 2018, the line was hydrostatically tested to 1878 psig (1859 psig at its highest elevation) qualifying the line for an MAOP under PHMSA regulations of 1487 psig in class 2 locations and 1468 psig in Class 1 locations.

⁴ Southern Star is also contemporaneously installing under Section 2.55 (a) a separate regulator setting at the interconnect of Southern Star's Line VP and Line VO to provide additional flexibility with the operation of those lines. While the uprate in MOP of Line VP-079 enhances the improved operational efficiencies provided by this separate regulator, this regulator provides improved operational efficiencies whether or not the MOP of Line VP-079 is uprated.

⁵ The cost of the auxiliary facilities will be paid for by an increase in the discounted rate paid by Blue Mountain Midstream LLC, the sole interconnected party and primary firm shipper on Line VP-079.

no costs are required for the actual pressure uprate of Southern Star's Blue Mountain Chisholm

Trail Lateral.

LIST OF EXHIBITS

In accordance with Section 157.208(c) of the Commission's Regulations (18 C.F.R. 157.208), the following exhibits are also submitted herewith:

Exhibit F General Location of Facilities (Map)

Exhibits G and G-II <u>Flow Diagrams and Flow Diagram Data</u>

Critical Energy Infrastructure Information (CEII) submitted separately

FORM OF NOTICE

A proposed notice suitable for publication in the Federal Register is also included herewith in compliance with the Commission's regulations. Copies of this Request will be sent to the Oklahoma Corporation Commission, Missouri Public Service Commission and Kansas Corporation Commission.

CONCLUSION

Wherefore, Southern Star Central Gas Pipeline, Inc. respectfully requests authorization to increase the maximum operating pressure (MOP) of Southern Star's Blue Mountain Chisholm Trail Lateral (Line VP-079) to 1460 psig, which is also the maximum allowable operating pressure (MAOP) of the line.

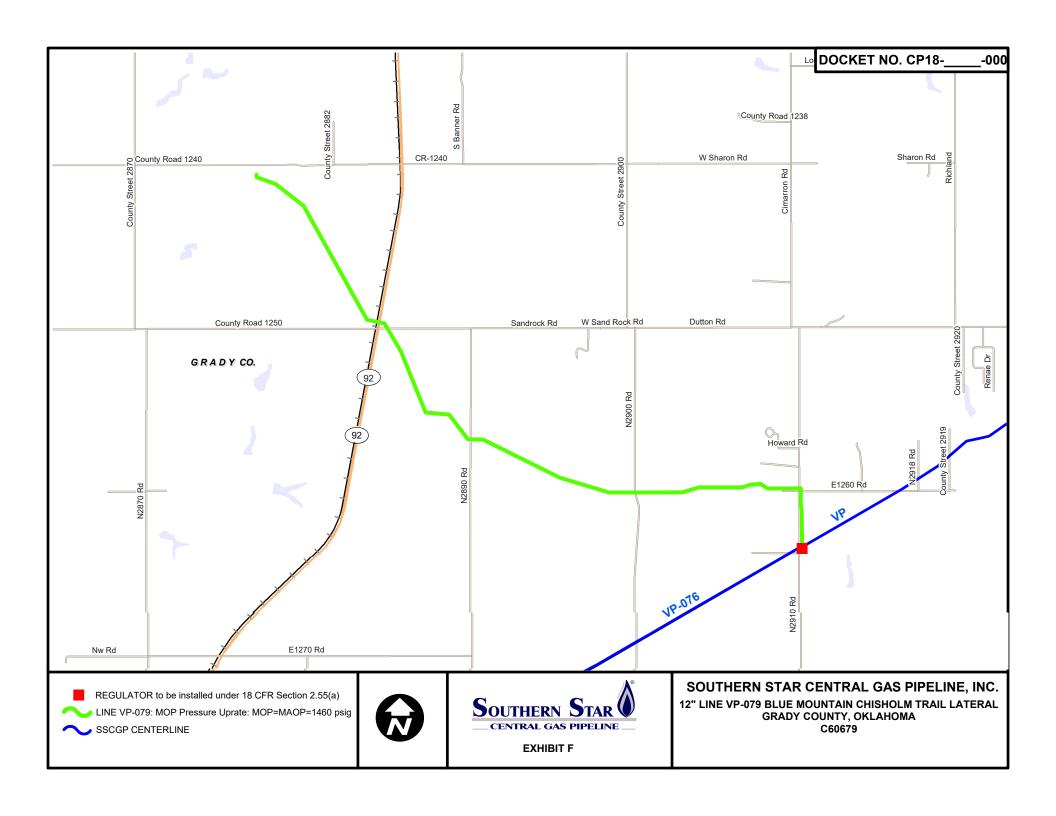
Respectfully submitted,

Southern Star Central Gas Pipeline, Inc.

/s/ Cindy Thompson
Manager, Regulatory

EXHIBIT F

GENERAL LOCATION OF FACILITIES (MAP)



EXHIBITS G AND G-II FLOW DIAGRAMS AND FLOW DIAGRAM DATA

Exhibits G and G-II contain
Critical Energy Infrastructure Information (CEII),
are marked CUI // CEII,
are omitted from the Public version of the prior notice filing,
and are

SUBMITTED SEPARATELY

UNITED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

Southern Star Central Gas Pipeline, Inc.

Docket No. CP18 -

PRIOR NOTICE OF ACTIVITY UNDER BLANKET CERTIFICATE

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Take notice that on ______, Southern Star Central Gas Pipeline, Inc. (Southern Star) filed a prior notice request pursuant to Sections 157.205 and 157.208 of the Federal Energy Regulatory Commission's regulations under the Natural Gas Act, and Southern Star's blanket certificate issued in Docket No. CP82-479-000, for authorization to increase the maximum operating pressure (MOP) of Southern Star's Blue Mountain Chisholm Trail Lateral (also known as Line VP-079) to its designed maximum allowable operating pressure (MAOP) of 1460 psig.

Southern Star's Blue Mountain Chisholm Trail Lateral was authorized and constructed pursuant to a prior notice request filed November 14, 2017 in Commission Docket No. CP18-17-000. It was placed into service with a design MAOP of 1460 psig on March 16, 2018. While the Exhibit G flow diagrams filed with prior notice request in Docket No. CP18-17 did not set forth an MOP below the line's designed MAOP, Exhibit F-1, Environmental Resource Report No. 1 stated that Line VP-079 would be operated at a maximum operating pressure of 650 psig. At the request of Blue Mountain Midstream LLC, the sole interconnected party on the lateral, Southern Star intends to operate its Blue Mountain Chisholm Trail Lateral at pressures above 650 psig. This prior notice request is being submitted to eliminate any confusion as to the MOP and to clarify that the MOP of Southern Star's Blue Mountain Chisholm Trail Lateral is equal to the MAOP of 1460 psig. Because that MAOP was established by hydrostatic testing when the line was installed, no additional testing, work or facilities are required to increase the MOP of Line VP-079 from 650 psig to its design MAOP of 1460 psig. Auxiliary facilities (a regulator) will be installed, however, under Section 2.55 (a) of the Commission's regulations to allow Southern Star to utilize the increased MOP.

Any questions concerning this prior notice request should be directed to Cindy Thompson, Manager, Regulatory, Southern Star Central Gas Pipeline, Inc., 4700 Highway 56, Owensboro, Kentucky 42301, by phone (270) 852-4655, or by email Cindy.C.Thompson@sscgp.com.

Any person or the Commission's staff may, within 60 days after issuance of the instant notice by the Commission, file pursuant to Rule 214 of the Commission's Procedural Rules (18 CFR 385.214) a motion to intervene or notice of intervention and pursuant to Section 157.205 of the regulations under the NGA (18 CFR 157.205), a protest to the request. If no protest is filed within the time allowed therefore, the proposed activity shall be deemed to be authorized effective the day after the time allowed for filing a protest. If a protest is filed and not

withdrawn within 30 days after the allowed time for filing a protest, the instant request shall be treated as an application for authorization pursuant to Section 7 of the NGA.

Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. Such motions or protests must be filed on or before the comment date. Anyone filing a motion to intervene or protest must serve a copy of that document on the Applicant. On or before the comment date, it is not necessary to serve motions to intervene or protests on persons other than the Applicant.

The Commission encourages electronic submission of comments, protests and interventions in lieu of paper using the "eFiling" link at http://www.ferc.gov. Persons unable to file electronically should submit an original and 5 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426.

This filing is accessible on-line at http://www.ferc.gov, using the "eLibrary" link and is available for review in the Commission's Public Reference Room in Washington, DC. There is an "eSubscription" link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: 5:00 pm Eastern Time on (insert date).

Kimberly D. Bose, Secretary.

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) ss:
COUNTY OF DAVIESS)

Cindy C. Thompson, being first duly sworn, deposes and says that she is Manager, Regulatory for Southern Star Central Gas Pipeline, Inc.; that as such she is authorized to sign and verify the foregoing Request for Authorization to increase the maximum operating pressure of Southern Star's Blue Mountain Chisholm Trail Lateral; that she has read the filing and is familiar with the contents thereof; and that the matters and things set forth therein are true and correct to the best of her information, knowledge and belief.

/s/ Cindy C. Thompson
Cindy C. Thompson
Manager, Regulatory

SUBSCRIBED AND SWORN TO before me this 11th day of June 2018.

/s/ Karen J. Holman

Notary Public

Kentucky State at Large

My Commission expires August 26, 2019. Notary ID #539006