United States Senate

WASHINGTON, DC 20510

May 28, 2015

The Honorable Norman C. Bay
Chairman
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

Dear Chairman Bay:

We write to bring your attention to the rate and restructuring filing submitted by Gulf South Pipeline Company, LP (Gulf South) which has been accepted for filing by the Federal Energy Regulatory Commission (FERC) and allowed to take effect, subject to refund. It is our understanding that FERC now anticipates at least a 12 – 18 month process to review the changes and make a final decision. We urge you and your fellow commissioners to fully examine the effects these changes will have on consumers when making a final determination on the filing request.

Gulf South and other natural gas pipeline operators across the country have made investments in their systems in recent years in an attempt to maintain and modernize infrastructure and meet the growing demand for natural gas. While we understand the need to make those investments, it appears that the changes proposed by Gulf South will lead to sharp rate increases for current customers. Furthermore, Gulf South has also filed for and implemented a total restructuring of its rate design that will further increase costs for current customers. The new rates have been implemented as of May 1st and many customers are expected to receive invoices that could be 200-400% higher than previous ones. Such rate hikes will have substantial economic impacts for families and small businesses that can least afford them. It is critical that these ratepayers not be required to pay for pipeline system costs that will not provide additional benefits to them, especially when many of those customers are hard-pressed to pay their energy bills as it is.

We understand that if FERC chooses to deny any of Gulf South's proposed changes, customers could be entitled to refunds of additional expenses incurred since May 1st (that FERC chooses not to approve). While we appreciate that, we remain concerned that many customers simply cannot afford paying 200-400% higher costs in the interim. Furthermore, determining the proper value and distribution of any such refunds would be very difficult due to the complicated restructuring of the rate design in addition to increased direct surcharges for various uses on the system. As such, there is no guarantee that vulnerable ratepayers would be granted relief in a suitable amount of time even if FERC determined that they were entitled to it.

Given the above-referenced concerns and considerations, it is vital that FERC move as quickly as possible to examine the filing and ensure that any finalized change in costs to legacy customers are fair, affordable and not overly-complicated.

Thank you for your consideration. We look forward to working with you to address this issue in the coming months. Please do not hesitate to contact our offices at any time if you have any questions.

Sincerely,

David Vitter

Bill Cassidy, M.D.