

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;  
Nora Mead Brownell, Joseph T. Kelliher,  
and Suedeen G. Kelly.

OkTex Pipeline Company

Docket No. RP04-390-000

ORDER ON COMPLIANCE FILING AND ESTABLISHING TECHNICAL  
CONFERENCE

(Issued September 10, 2004)

1. On July 30, 2004, the Commission issued an order accepting and suspending for five months a proposed Fuel Retention Percentage (FRP) increase and establishment of a lost and unaccounted-for (L&U) gas tracking mechanism by the OkTex Pipeline Company (OkTex).<sup>1</sup> In its filing OkTex proposed to raise the existing FRP of .25 percent to 1.13 percent of gas volumes, which was approximately four and one half times the prior rate for lost and unaccounted for gas. The Commission concluded that OkTex had not adequately justified the higher FRP nor sufficiently supported its proposed fuel reimbursement adjustment tracker and required OkTex to provide additional information. The list of required information originated from a protest to the filing by Eagle Gas Marketing Company and Mustang Gas Products (the Protestors). The Commission required OkTex to file the supporting information within 30 days after the order issued, with comments thereon due 20 days thereafter.

2. On August 3, 2004, OkTex filed a response to the July 30 Order asserting that OkTex's July 29, 2004, reply to the protest contained all the information required by the Commission order. On August 23, 2004, the Protestors filed comments on OkTex's comments, asserting that OkTex's July 29 compliance filing was unresponsive to the Commission's July 30 Order. Protestors asserted that OkTex merely confirmed the volumes previously included in its workpapers and failed to provide any calibration test reports, gas analysis, meter characteristic reports and events, Btu discrepancies, or any other causes for excessive L&U volumes on a 27 mile pipeline with no compression. In addition, Protestors included a detailed, discovery style list of additional data requests relating to meter characteristics, including past months between January and May 2004,

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<sup>1</sup> *OkTex Pipeline Company*, 108 FERC ¶ 61,101 (2004).

the type of equipment involved, and chromatographic data for several meters, meter pressures, and flow rates. Finally, we note that OkTex did not provide the two years of data required by the July 30 Order.

3. Based on the foregoing the Commission concludes that OkTex did not provide the information required by the July 30 Order, and that OkTex still has not justified its proposed FRP increase. The Protestors' August 23 comments suggest that meter pressures and other operating standards have been changing on OkTex while this proceeding has been pending. In light of the disagreements about the quality and the relevance of the data, the Commission directs Staff to convene a technical conference on these issues. OkTex should be prepared to discuss Protestors' concerns, the data requested by the July 30 Order, and Protestors' additional data requests at the technical conference. Staff shall report to the Commission the outcome of the technical conference within 120 days after this order issues.

The Commission orders:

Staff shall convene a technical conference in this proceeding as more fully described in the body of this order.

By the Commission.

( S E A L )

Magalie R. Salas,  
Secretary.