

122 FERC ¶ 61,298  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

March 31, 2008

In Reply Refer To:  
TransColorado Gas Transmission Company  
Docket No. RP08-239-000

TransColorado Gas Transmission Company  
370 Van Gordon Street  
Lakewood, CO 80228-8304

Attention: Robert F. Harrington  
Vice President, Regulatory Affairs

Reference: Annual Fuel Gas Reimbursement Percentage Report

Dear Mr. Harrington:

1. On February 29, 2008, TransColorado Gas Transmission Company LLC (TransColorado) filed its annual Fuel Gas Reimbursement Percentage (FGRP) Report for the year ended December 31, 2007, and First Revised Sheet No. 20, which sets forth TransColorado's proposed revision to the FGRP-North percentage, developed pursuant to section 12.9(c) of the General Terms and Conditions of its tariff. The FGRP report and revised tariff sheet are accepted, effective April 1, 2008, as proposed.
2. Notice of TransColorado's filing was issued on March 5, 2008, with comments, protests or interventions due as provided by section 154.210 of the Commission's regulations, 18 C.F.R. § 154.210 (2007). Pursuant to Rule 214, 18 C.F.R. § 385.214 (2007), all timely filed motions to intervene and any 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. BP America Production Company and BP Energy Company (BP) filed a motion to intervene and comments. Chevron Natural Gas filed a motion to intervene. TransColorado filed an answer. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) 2007, prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept TransColorado's answer because it has provided information that assisted us in our decision-making process.

3. BP states that TransColorado's filing includes 732,178 Dth of lost and unaccounted for (L&U) volumes for 2007 compared with TransColorado's 2006 filing which included L&U quantities of only 71,821 Dth. BP states that the bulk of TransColorado's L&U quantities occurred during July through December and that TransColorado provides no explanation for the surge in L&U quantities. BP contends that the Commission should require TransColorado to submit information on the causes of the L&U surge, as well as any steps that TransColorado is taking to reduce L&U quantities. BP states that, in similar circumstances, the Commission has required pipelines to file an explanation of an increase in L&U.<sup>1</sup> BP asserts that TransColorado should initiate an investigation of its operations to discover the cause of the L&U increases and file the results with the Commission.

4. In its answer, TransColorado states that it has in place a process for continuous monitoring and reporting L&U to management. TransColorado states that, when advised of the increases in monthly reported L&U in 2007, it initiated an investigation of the possible causes for the increases, which included aerial gas leak detection surveys of the pipeline and extra checks of all valves and piping for leaks. TransColorado reports that to date, while no cause for the increase has been revealed, it appears that the losses were not caused by any extraordinary factor or anomaly. TransColorado further states that continued monitoring and reporting shows that L&U has generally trended down in the latter half of 2007 after the aerial surveys and inspections were conducted. TransColorado states that it has in place a method for reporting to the Commission and shippers updates on its L&U factors on its interactive website, which negates the need for additional reporting. TransColorado further asserts that BP has mischaracterized its increased L&U rate as a surge and that L&U must be viewed in the context of very low L&U reported in recent periods. Finally, TransColorado states that its L&U rate of 0.28 percent is not outside the norm of other interstate pipelines and in fact is right in line with the average of 0.28 percent reported by 104 transmission companies in the 2006 period.

5. We find that TransColorado has provided sufficient information to address BP's concerns and to support acceptance of the filing. While we acknowledge that TransColorado's L&U quantities were significantly higher in 2007 than in recent years, TransColorado has demonstrated that it has in place a method of reporting such increases on a monthly basis and that it was diligent in investigating the cause of the L&U increases. Further, TransColorado's L&U percentage of 0.28 percent is well below the meter error tolerances specified in its tariff, i.e., two percent.<sup>2</sup> In addition, TransColorado has provided workpapers in its answer that show (1) the L&U rate for

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

<sup>2</sup> TransColorado's Fuel Gas Reimbursement Percentage includes L&U which accounts for metering errors as described further in section 10.13 of TransColorado's tariff.

2007 of 0.28 percent is mischaracterized by BP as a surge and must be viewed in the context of very low L&U percentages of 0.01 percent for 2005 and 0.02 percent for 2006 when compared to TransColorado's average rate of 0.12 percent for the previous six years and (2) TransColorado's L&U rate of 0.28 percent is right in line with the average L&U rate of 0.28 percent reported by 104 transmission companies that filed an L&U report with the FERC. Accordingly, the Commission will require TransColorado to provide similar information (i.e. similar to what was provided in TransColorado's answer) in any future filings that contain similar L&U increases.<sup>3</sup> Therefore, the sheet filed in this docket is accepted effective April 1, 2008, as proposed.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

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<sup>3</sup> Pursuant to section 12.9 of the general terms and conditions of TransColorado's tariff, TransColorado shall post on its interactive website a revised Fuel Gas Reimbursement Percentage five days in advance of the first of each month to be effective during the month including information pertaining to L&U quantities, gas consumption and a variance adjustment.