

129 FERC ¶ 61,076
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

October 28, 2009

In Reply Refer To:
Panhandle Eastern Pipe Line Company, LP
Docket No. RP10-10-000

Panhandle Eastern Pipe Line Company, LP
5444 Westheimer Road
Houston, Texas 77056-5306

Attention: William W. Grygar, Vice President
Rates and Regulatory Affairs

Reference: Order Accepting Revised Tariff Sheets and Granting Waiver

Ladies and Gentlemen:

1. On October 1, 2009, Panhandle Eastern Pipe Line Company, LP (Panhandle) filed revised tariff sheets reflecting changes to its fuel reimbursement percentages and worksheets detailing the computation of its Annual Fuel Reimbursement Surcharge. Panhandle also requests waiver of section 24 of the General Terms and Conditions (GT&C) of its tariff to allow Panhandle to use a projected deferred account balance as of October 31, 2009 in the instant fuel tracker filing. Panhandle's request for waiver is granted and the tariff sheets listed in the Appendix are accepted for filing effective November 1, 2009, as proposed.

2. Section 24 of the GT&C of Panhandle's tariff details the filing and computation procedures for Panhandle's fuel reimbursement percentages. Specifically, section 24.1 of Panhandle's GT&C provides that the effective date of each fuel reimbursement adjustment shall be November 1 and April 1, and requires Panhandle to file the adjustment at least 30 days prior to the effective date. Section 24.2 of Panhandle's GT&C provides that the Effective Fuel Reimbursement Percentage shall be the sum of the Current Fuel Reimbursement Percentage and the Annual Fuel Reimbursement Surcharge. Under section 24.3, the Current Fuel Reimbursement Percentage is determined on the basis of the estimated quantities of gas delivered to Panhandle for the account of shippers and the projected quantities of gas that will be required for fuel usage and the lost and unaccounted for gas. The Current Fuel Reimbursement Percentage is

computed on a semi-annual basis. Section 24.4 of Panhandle's GT&C provides that the Annual Fuel Reimbursement Surcharge is computed by dividing Panhandle's Deferred Fuel Reimbursement Account (deferred account) balance four months prior to November 1 (i.e., as of June 30th) by Panhandle's estimated quantities of gas for transportation and storage under its Rate Schedules for the twelve-month recovery period.

3. Panhandle proposes the following adjustments to its fuel reimbursement percentages:

- No change in the Gathering Fuel Reimbursement Percentage;
- 0.23 percent increase in the Field Zone Fuel Reimbursement Percentage from 0.47 to 0.70 percent;
- 0.35 percent increase (per 100 miles) in the Market Zone Fuel Reimbursement Percentage from 0.22 to 0.57 percent;
- 0.48 percent decrease in both the Injection Field Area and Withdrawal Field Area Storage Reimbursement Percentages; and,
- 0.48 percent decrease in both the Injection Market Area and Withdrawal Market Area Storage Reimbursement Percentages.

4. Panhandle states that on May 22, 2009, in Docket No. RP09-609-000, it filed an out-of-cycle revision to its fuel reimbursement percentages, which the Commission accepted on June 19, 2009. Panhandle also states that its May 22, 2009 filing reduced Panhandle's fuel reimbursement percentages for the remainder of the summer period, June 1, 2009 through October 31, 2009, and that it filed the adjusted fuel reimbursement percentages to reduce its deferred account balance. Accordingly, Panhandle states it has forecasted its deferred transportation fuel reimbursement balance as of October 31, 2009, using the lower fuel reimbursement percentages accepted by the Commission in the order issued on June 19, 2009. Panhandle states that with the lower fuel reimbursement percentage, it projects that the deferred account balance will be negative 47,962 MMBtu as of October 31, 2009.

5. Panhandle requests waiver of section 24.4 of its GT&C, as it pertains to the calculation of the Annual Fuel Reimbursement Surcharge. Panhandle proposes to use its deferred account balance as of October 31, 2009, rather than as of June 30, 2009; thus using 16 months, rather than 12 months of deferred activity. In addition, Panhandle requests that it be permitted to use projected, rather than actual data, to compute the monthly deferred account activity for September and October 2009. Panhandle requests an effective date of November 1, 2009.

6. Public notice of Panhandle's filing was issued October 2, 2009. Interventions and protests were due as provided in section 154.210 of the Commission's regulations, 18 C.F.R. § 154.210 (2009). Pursuant to Rule 214, 18 C.F.R. § 385.214 (2009), all timely filed motions to intervene and any motion 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 the proceeding or place additional burdens on existing parties. No protests or adverse comments have been filed.

7. In its May 22, 2009, filing Panhandle stated that flow patterns changed on its system as a result of increased Rockies Express Pipeline (Rockies Express) volume deliveries in the Market Zone, thereby requiring less overall compressor fuel usage. Panhandle also stated that its deferred account had increased as a result of over projections of fuel usage, which were based upon historical flow patterns, and that as of April 30, 2009, the balance of its deferred account related to transportation was approximately a negative 4 Bcf. Panhandle claimed that without any change to its then effective fuel reimbursement percentages, the deferred account balance would continue to grow. As a stopgap measure, Panhandle proposed in the May 22, 2009 filing to reduce the Current Fuel Reimbursement Percentage rates effective June 1, 2009 through October 31, 2009, at which time Panhandle would file its regularly scheduled fuel tracker filing to be effective November 1, 2009. Panhandle stated that the changes proposed in its out-of-cycle filing reflected the estimated fuel usage and lost and unaccounted for gas that will be required based upon flow patterns as adjusted for the Rockies Express activity. In a letter order issued on June 19, 2009,¹ the Commission granted waiver of section 24.1 of the GT&C of Panhandle's tariff and accepted Panhandle's proposed tariff sheets implementing Panhandle's out-of-cycle revisions to its fuel reimbursement percentages.

8. As the Commission found in the June 19 Letter Order, Panhandle's revisions reflected in the instant filing represent its response to unexpected changes in flow patterns on its system that have resulted in less overall compressor fuel usage and a large over-recovered deferred account balance at June 30, 2009. Granting Panhandle waiver of its tariff provisions to enable it to use its deferred account balance as of October 31, 2009 instead of the balance as of June 30, 2009 will mitigate the effect of a large over-recovered deferred account balance that would occur in Panhandle's fuel adjustment rate effective November 1, 2009, absent waiver. In fact, by October 31, 2009, Panhandle's deferred account balance has been nearly zeroed out (from negative 4,500,192 to negative 47,962 MMBtu). Without a waiver, Panhandle would be required to use its deferred account balance as of June 30, 2009, therefore only receiving the benefit of the lower fuel reimbursement percentages accepted in the June 19 Letter Order for a single month (June 2009) of the 12-month deferred period. Panhandle's deferred balance as of June 30, 2009, reflects an over-recovered balance of approximately 4.5 million MMBtu; however,

¹ *Panhandle Eastern Pipe Line Co., LP*, 127 FERC ¶ 61,286 (2009) (June 19 Letter Order).

by using its deferred balance at October 31, 2009, the over-recovered balance would be less than 50,000 MMBtu. In addition, no customer has opposed Panhandle's proposal in the instant proceeding.

9. Accordingly, the Commission accepts the tariff sheets listed in the Appendix to this order, effective November 1, 2009, as proposed. The Commission finds that good cause exists to grant waiver of section 24.4 of the GT&C of Panhandle's tariff to allow Panhandle to reflect in its filing, a projected deferred account balance, at October 31, 2009. Although the Commission grants the request for waiver and accepts Panhandle's filing, we note that because the September and October deferred account balances are projected, we will require Panhandle to make an adjustment to its deferred account balance reflected in next tracker filing, based upon the actual fuel reimbursement and fuel usage and lost and unaccounted for gas experienced by Panhandle during the months of September and October 2009.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

cc: All Parties

Appendix

Panhandle Eastern Pipe Line Company, LP
FERC Gas Tariff, Third Revised Volume No. 1

Tariff Sheets Accepted Effective November 1, 2009:

Twenty-Fifth Revised Sheet No. 4
Twenty-Fifth Revised Sheet No. 5
Twenty-Fourth Revised Sheet No. 6
Twenty-Fourth Revised Sheet No. 7
Twenty-Fourth Revised Sheet No. 8
Eighth Revised Sheet No. 9
Seventh Revised Sheet No. 10
Ninth Revised Sheet No. 11
Ninth Revised Sheet No. 12
Eighth Revised Sheet No. 13
Ninth Revised Sheet No. 14
Twenty-Fifth Revised Sheet No. 15
Twenty-Fifth Revised Sheet No. 17
Seventh Revised Sheet No. 18