

131 FERC ¶ 61,084  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

April 29, 2010

In Reply Refer To:  
Trailblazer Pipeline Company LLC  
Docket No. RP10-542-000

Trailblazer Pipeline Company LLC  
3250 Lacey Road, Suite 700  
Downers Grove, IL 60515-7918

Attention: Bruce H. Newsome  
Vice President

Reference: Expansion Fuel Adjustment Percentage and Request for Limited Waiver

Ladies and Gentlemen:

1. On March 31, 2010, Trailblazer Pipeline Company LLC (Trailblazer) filed Third Revised Sheet No. 11 to its FERC Gas Tariff, Fourth Revised Volume No. 1, and supporting workpapers to reflect its annual Expansion Fuel Adjustment Percentage (EFAP) in accordance with section 41 of its General Terms and Conditions. Section 41 permits Trailblazer to recover in-kind the fuel used by its shippers. Trailblazer requests a limited waiver of its tariff to place into effect on May 1, 2010, only the current EFAP component of 3.18 percent (which would postpone the additional deferred account component of 1.31 percent). For the reasons set forth below, the Commission grants the requested waiver and accepts Third Revised Sheet No. 11 to become effective May 1, 2010, as proposed.

2. Public notice of the filing was issued on April 1, 2010. Interventions and protests were due on or before April 12, 2010. 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 were filed.

3. Trailblazer's workpapers reflect an increase of 1.3 percent in the total EFAP rate from the currently effective 3.19 percent to 4.49 percent applicable to all firm volumes

transported on Trailblazer's Expansion 2002 under Rate Schedule FTS.<sup>1</sup> Trailblazer states that the increase in the EFAP fuel rate results primarily from an increase in electric power costs, an increase in the undercollection in the deferred account, and lower transportation volumes. The EFAP fuel rate consists of a Current Rate and a Deferred Rate. The Current Rate recovers annual ongoing energy costs and consists of two components. The first component is based on actual natural gas consumption. The second component is based on electric costs, which are converted to natural gas equivalents. These costs are divided by Trailblazer's actual receipt volumes, net of fuel, for the 12-month period ended January 31, 2010. The Current Rate decreased from 3.19 percent to 3.18 percent. However, the Deferred Rate increased by 1.31 percent. The Deferred Rate reconciles actual fuel collections with actual costs, on a monthly basis, and recovers the balance in a deferred account over the annual recovery period. The under-recovered balance at the end of the 12-month period was \$6,453,218, which includes the balance of the deferred account of \$3,025,443 that Trailblazer elected to forego recovery of in its last fuel tracker filing in Docket No. RP09-476-000.

4. If implemented, Trailblazer's EFAP, as determined pursuant to the methodology under its tariff, would result in an increase in the EFAP of approximately 41 percent from the currently-effective EFAP of 3.19 percent. In order to alleviate the impact of the increase on its shippers, Trailblazer proposes to mitigate the increase by deferring recovery of the Deferred Rate until a future filing. Trailblazer states that the only portion of the EFAP that it proposes to recover in the instant filing is the Current Rate of 3.18 percent. Trailblazer states that the Current Rate is designed to recover Trailblazer's ongoing costs of operations. By collecting the Current Rate, Trailblazer states that the deferred account will not grow if the underlying assumptions used in the calculation are correct, including the projection of the forward-looking Average Monthly Index Price, which is used to convert electric power costs to a gas equivalent volume. Trailblazer states that it will forego carrying costs on the deferred account balance of \$6,453,218 until such time as it includes these costs in a future filing. Trailblazer will continue, however, to assess carrying costs on amounts that accumulate in the deferred account that are incurred after the end of the 12-month period.

5. Accordingly, Trailblazer requests limited waiver of section 41.5 of its tariff to defer the collection of the costs associated with the Deferred Rate portion of its EFAP. Trailblazer states that the request for limited waiver is appropriate given the unique circumstances that have resulted in a significant increase in the calculation of its annual EFAP. In addition, Trailblazer states that its request for waiver is consistent with a similar request granted by the Commission in Trailblazer's last fuel tracker filing in

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<sup>1</sup> Expansion 2002 was authorized by Commission Order issued on May 18, 2001, in Docket No. CP01-64-000. *Trailblazer Pipeline Co.*, 95 FERC ¶ 61,258 (2001).

Docket No. RP09-476-000.<sup>2</sup> Finally, Trailblazer states that its request for waiver is consistent with previous waivers granted by the Commission in other pipeline fuel tracker proceedings, permitting the pipeline to provide shippers with a timely benefit or allowing the pipeline more time to recover or smooth out the effects of an unexpected fuel increase.<sup>3</sup>

6. For good cause shown, the Commission grants Trailblazer's request for a limited waiver of section 41.5 of its tariff to defer the collection of the costs associated with the Deferred Rate and place into effect an EFAP of 3.18 percent. Accordingly, the Commission accepts Third Revised Sheet No. 11 to become effective May 1, 2010, as proposed.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

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<sup>2</sup> *Trailblazer Pipeline Company*, 127 FERC ¶ 61,098 (2009).

<sup>3</sup> Trailblazer cites *Colorado Interstate Gas Co.*, 122 FERC ¶ 61,304 (2008); *Panhandle Eastern Pipe Line Co.*, 26 FERC ¶ 63,058, at 65,257; *aff'd*, 27 FERC ¶ 61,345; *reh'g denied*, 28 FERC ¶61,115 (1984).