

131 FERC ¶ 61,292  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

June 30, 2010

In Reply Refer To:  
Kinder Morgan Louisiana Pipeline LLC  
Docket No. RP10-774-000

Kinder Morgan Louisiana Pipeline LLC  
3250 Lacey Road, Suite 700  
Downers Grove, IL 60515-7918

Attention: Bruce H. Newsome, Vice President

Reference: Periodic Fuel Rate Adjustment and Related Waiver Request

Ladies and Gentlemen:

1. On May 27, 2010, Kinder Morgan Louisiana Pipeline LLC (Kinder Morgan) filed its first annual Periodic Fuel Rate Adjustment (PRA) to adjust its fuel reimbursement percentages, as required by section 36 of the General Terms and Conditions (GT&C) of its tariff, and filed an updated tariff sheet.<sup>1</sup> Kinder Morgan requests waiver of section 36.2(b) and section 36.4 of its GT&C, so that it may project its reimbursement percentages using a base period which varies from the base period required by its tariff. Kinder Morgan requests that the revised tariff sheet be made effective July 1, 2010. We accept the tariff sheet, effective July 1, 2010 as requested, and grant waiver.

2. Kinder Morgan's PRA filing establishes the Line Heater Gas Reimbursement Percentage and the Unaccounted For Gas Reimbursement Percentage (UAF) for its entire system, to be in effect for the July 1, 2010 through June 30, 2011, as required by section 36.<sup>2</sup> The proposed reimbursement percentages are based on actual data for the base period, adjusted for changes reasonably anticipated to take effect during the Recovery Period. The Line Heater Gas Reimbursement percentage is 0.06 percent, a decrease of

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<sup>1</sup> First Revised sheet No. 6 to its FERC Gas Tariff, Original Volume No. 1.

<sup>2</sup> Kinder Morgan is not establishing a reimbursement percentage for Fuel Gas because it does not have compression on its system at this time.

0.04 percent from the current Line Heater gas rate of 0.10 percent. The proposed UAF is 0.13 percent, a decrease of 0.27 percent from the current UAF rate of 0.40 percent.

3. This filing is Kinder Morgan's first annual PRA filing.<sup>3</sup> Kinder Morgan commenced service on April 18, 2009 on an interim basis. On June 21, 2009, the Kinder Morgan system became fully operational on Leg 1 and Leg 2 and by October 1, 2009, full service commenced for both Anchor shippers under their firm transportation agreements. Kinder Morgan's Initial Effective Date for PRA purposes, as defined in section 36.2(h) of its GT&C, was July 1, 2009. Section 36.3 of the GT&C requires that a new PRA become effective on each anniversary of the Initial Effective Date. Sections 36.2(b) and 36.4 require that Kinder Morgan project the costs and throughput included in its PRA filings, using a 12-month base period ending two months before the start of each Recovery Period, which in this case would be the year May 1, 2009 through April 30, 2010.

4. As noted above, Kinder Morgan requests waiver of sections 36.2(b) and 36.4 of the GT&C of its tariff to allow for two variations in the timing for the base period. First, Kinder Morgan seeks to begin the base period on October 1, 2009, the first date in which its major shippers received full service. Kinder Morgan argues that flows prior to this period were not representative.<sup>4</sup> Second, Kinder Morgan seeks to end the base period on March 31, 2010, such that it ends three months rather than two months before the start of the next Recovery Period. Kinder Morgan states by ending the base period on March 31, it had sufficient time to finalize the UAF volumes and calculate the deferred account balance for the month of March. Kinder Morgan further states that, had it utilized a base period ending on April 30, 2010, the UAF deferred account balance for the month of April could potentially have been subject to significant swings as actual UAF volume data became available.<sup>5</sup> Therefore, Kinder Morgan proposes in this initial PRA that the base period end three months before the next recovery period commences, in order to incorporate the latest available actual data for the UAF calculation in this filing.

5. Public notice of Kinder Morgan's filing was issued on June 1, 2010. Interventions and protests were due June 8, 2010, as provided by section 154.210 of the Commission's

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<sup>3</sup> The Commission issued Kinder Morgan a certificate on June 22, 2007 (119 FERC ¶ 61,309 (2007)), and issued an order amending the certificate on February 25, 2009 (126 FERC ¶ 61,172 (2009)).

<sup>4</sup> Kinder Morgan Transmittal at 2.

<sup>5</sup> Kinder Morgan Transmittal at 3-4.

regulations.<sup>6</sup> Pursuant to Rule 214,<sup>7</sup> 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 this proceeding or place additional burdens on existing parties. No protests or adverse comments were filed.

6. The Commission finds Kinder Morgan has shown good cause for its waiver request. Granting the waiver at this time allows for a more representative base period, and provides Kinder Morgan with the necessary data needed to finalize the UAF volumes and the deferred account balance in sufficient time to meet the required filing date. Therefore, the Commission grants Kinder Morgan's request for waiver of section 36.2(b) and 36.4 of its GT&C to allow use of an October 2009 through March 2010 base period in the calculation of its initial PRA filing. However, we note that the timing problem for finalizing data arising from the fact the base period ends only two months before the start of the next Recovery Period appears to be one that could arise in future annual filings. In the event that this proves to be a recurring problem, Kinder Morgan is advised to modify section 36.2(b) of its GT&C.

7. The Commission finds that Kinder Morgan's PRA filing complies with its tariff, except for the changes outlined in its waiver request, which we have granted. Accordingly, the Commission accepts the revised tariff sheet, effective July 1, 2010, as requested.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

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<sup>6</sup> 18 C.F.R. § 154.210 (2010).

<sup>7</sup> 18 C.F.R. § 385.214 (2010).