

138 FERC ¶ 61,217
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

March 27, 2012

In Reply Refer To:
High Island Offshore System, L.L.C.
Docket No. RP12-404-000

High Island Offshore System, L.L.C.
1100 Louisiana St.
Houston, TX 77002

Attention: Jeffrey M. Molinaro
Senior Specialist, Regulatory Affairs

Reference: Letter Order on Company Use Percentage and Waiver Request

Dear Mr. Molinaro:

1. On February 28, 2012, High Island Offshore System, L.L.C. (HIOS) filed its annual fuel tracker filing for calendar year 2011 activity pursuant to section 28 of its General Terms and Conditions (GT&C). The annual fuel tracker filing includes a revised tariff record¹ and supporting work papers to adjust HIOS' company use percentage as required by section 28.2 of its tariff. In addition, the filing includes a request for waiver of section 28.3 to permit HIOS to use actual throughput in its calculation of the company use percentage. For the reasons discussed below, the Commission will accept HIOS' revised tariff record to be effective April 1, 2012, as requested, and we will grant HIOS' request for waiver.

2. HIOS states that it calculates its company use percentage in accordance with section 28 of its tariff. In this filing, HIOS proposes a company use percentage of 0.46 percent, which is an increase from HIOS' current company use percentage of

¹ High Island Offshore System, L.L.C., FERC NGA Gas Tariff, NGA Gas Tariff, [Schedule of Company Use %, Sheet No. 8, 4.0.0.](#)

0.24 percent.² According to HIOS, the calculation of the company use percentage includes a projection of required compressor fuel and lost and unaccounted-for gas (LAUF) for the recovery period based on the previous calendar year's experience divided by projected receipt quantities during the recovery period, adjusted to reflect a true-up of experience from the prior recovery period.

3. Pursuant to section 28.1, HIOS' company use percentage is the sum of the "Compressor Fuel percentage, the Unaccounted For Gas percentage and the Company Use True up percentage."³ However, HIOS states that in this filing it is not proposing to collect compressor fuel as part of the company use percentage. HIOS explains that in August 2009 three compressor units were destroyed by fire; and on September 9, 2011, the Commission granted HIOS authority to abandon the destroyed compressor units.⁴ In addition, HIOS states that during the prior recovery period it had a net under-recovery of only 1,098 Dth, with the result that there is no true-up adjustment to the prospective company use percentage in this filing, because the adjustment is too small. Therefore, HIOS' proposed total company use percentage is related entirely to projected LAUF during the recovery period.

4. Section 28.3 provides for the LAUF percentage to be calculated by dividing the unaccounted for gas experienced for the previous calendar year ending each December 31 by the projected quantity of gas to be received by HIOS for the account of shippers during the recovery period.⁵ HIOS states that, in order to mitigate any increase in the company use percentage caused by a projection of declining throughput, it has used 2011 actual throughput as its projection of throughput expected in the recovery period. Therefore, HIOS is requesting waiver of section 28.3 of its tariff to allow it to use actual 2011 throughput as its projection of throughput, in its calculation of the company use percentage.

5. Public notice of HIOS' filing was issued on February 28, 2012. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.⁶

² HIOS' previous annual fuel tracker filing was accepted in Docket No. RP11-1814-000 on March 28, 2011. *High Island Offshore System, L.L.C.*, 134 FERC ¶ 61,240 (2011).

³ GT&C - Penalty Rev, GT&C - Sections 27 and 28 - Sheet No. 145, 0.1.0 to NGA Gas Tariff, FERC NGA Gas Tariff.

⁴ *High Island Offshore System, L.L.C.*, 136 FERC ¶ 62,210 (2011).

⁵ GT&C - Company Use, Sheet No. 146, 0.0.0 to NGA Gas Tariff, FERC NGA Gas Tariff.

⁶ 18 C.F.R. § 154.210 (2011).

Pursuant to Rule 214,⁷ all timely filed motions to intervene and any unopposed 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. No party filed a protest or adverse comments.

6. The Commission finds that HIOS' annual fuel tracker filing is consistent with the terms of section 28 of its tariff. Therefore, we accept the revised tariff record effective April 1, 2012, as requested. For good cause shown, we grant HIOS a limited waiver of section 28.3 to permit the use of actual 2011 throughput as its projection of throughput for the recovery period commencing April 1, 2012.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

⁷ 18 C.F.R. § 385.214 (2011).