

129 FERC ¶ 61,290
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

December 30, 2009

In Reply Refer To:
MarkWest Pioneer, L.L.C.
Docket No. RP10-199-000

Wright and Talisman, P.C.
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Attention: Joseph S. Koury, Attorney for
MarkWest Pioneer, L.L.C.

Reference: Annual Fuel Adjustment Filing

Ladies and Gentlemen:

1. On December 1, 2009, as amended December 2, 2009,¹ MarkWest Pioneer, L.L.C. (MarkWest) filed Second Revised Sheet No. 5 to its FERC Gas Tariff, Original Volume No. 1 to revise its annual fuel adjustment percentage for its Arkoma Connector Pipeline. The filing adjusts MarkWest's Fuel and Gas Loss Reimbursement Percentages (FRP) under its Rate Schedules FT-1, FT-2, and IT for firm and interruptible transportation. MarkWest requests the revised tariff sheet become effective January 1, 2010. Because it has been in service less than twelve months, MarkWest requests waiver of Section 18 of its General Terms and Conditions (GT&C) to permit the use of substitute projected data where actual data was not available. MarkWest's waiver request is granted and Second Revised Sheet No. 5 is accepted effective January 1, 2010, as proposed.

2. MarkWest owns and operates the Arkoma Connector Pipeline, a new interstate pipeline placed into service on July 14, 2009.² The Arkoma Connector Pipeline extends

¹ MarkWest filed a corrected transmittal letter on December 2, 2010, to correct errors it discovered in the December 1 transmittal letter. The proposed effective date of January 1, 2009 should have been January 1, 2010, and the FRP True-up Adjustment identified as 0.02 percent should have been negative 0.02 percent.

² *MarkWest Pioneer, L.L.C.*, 125 FERC ¶ 61,165 (2008).

approximately fifty miles from the Woodford Shale production area in southeastern Oklahoma to interconnections with Midcontinent Express Pipeline, LLC and Gulf Crossing Pipeline, L.L.C. near Bennington Oklahoma.

3. Section 18.2 requires MarkWest to file an annual adjustment to the Arkoma Connector Pipeline's FRP to be effective January 1 based on actual data for the twelve months ending September 30. MarkWest's FRP is comprised of two components, a Base FRP and a FRP True-up Adjustment. The sum of these two components is the total FRP which is shown on the Statement of Rates and Charges on Sheet No. 5 of MarkWest's tariff. MarkWest's initial FRP was 0.64 percent, which was accepted by an unpublished letter order issued July 16, 2009, in Docket No. RP09-321-000. The revised FRP filed herein is 0.48 percent, comprised of a Base FRP of 0.50 percent and an FRP True-up adjustment of negative 0.02 percent.

4. Pursuant to section 18.3, the Base FRP is calculated by dividing the Fuel and Gas Loss Quantities for the twelve-month period covering the preceding October through September by the total transportation volumes projected to be scheduled for the twelve-month period. Since the Arkoma Connector Pipeline commenced service in July of 2009, twelve months of actual data were not available for the first FRP adjustment filing. MarkWest calculated the revised Base FRP using actual Fuel and Gas Loss Quantities for the three months for which actual data was available (July through September 2009) and projected Fuel and Gas Loss Quantities for the remaining nine months where actual data were not available, resulting in a net fuel used and loss of 548,326 MMBtu. Dividing that amount by the projected transportation volumes for the twelve months ending December 2010 of 108,655,140 MMBtu, results in a revised Base FRP of 0.50 percent.

5. Pursuant to section 18.4, the FRP True-up Adjustment is calculated by first determining the difference between the Fuel and Gas Loss Quantities retained from shippers during the preceding October through September as compared with the Fuel and Gas Loss Quantities experienced on the system. The True-up Quantity is then divided by the total transportation volumes projected for the twelve-month period the FRP will be in effect, which produces the FRP True-up Adjustment. For this initial filing, MarkWest had only three months of actual Fuel and Gas Loss amounts for July through September 2009, resulting in a net gain of 24,728 MMBtu for the FRP True-up Adjustment. Dividing that amount by the projected transportation volumes for the twelve months ending December 2010 of 108,655,140 MMBtu results in an FRP True-up Adjustment of negative 0.02 percent.

6. Public notice of the filing was issued on December 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 burden on existing parties. No protests or adverse comments were filed.

7. MarkWest is requesting waiver of the fuel adjustment methodology contained in Section 18 of its GT&C that requires it to use twelve months of actual activity when computing its Base FRP and FRP True-up Adjustment. For the Base FRP, MarkWest used actual data where available, and substituted projected data where actual data was unavailable. For the FRP True-up adjustment, MarkWest had only three months of actual Fuel and Gas Loss data for its computation. MarkWest states that it believes this is a reasonable application of the tariff given that the Arkoma Connector Pipeline has been in service less than twelve months. For good cause shown, the Commission grants waiver of Section 18 of MarkWest's GT&C to permit the use of projections for the Base FRP, and the use of three months of activity for the FRP True-up Adjustment. Accordingly, the Commission accepts Second Revised Sheet No. 5 effective January 1, 2010, as proposed.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

cc: All Parties
Public File

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