

134 FERC ¶ 61,240  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

March 28, 2011

In Reply Refer To:  
High Island Offshore System, L.L.C.  
Docket No. RP11-1814-000

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

Attention: Jeffrey M. Molinaro, Lead Analyst  
Rates and Regulatory Affairs

Reference: Company Use Percentage and Waiver Request

Ladies and Gentlemen:

1. On February 28, 2011, High Island Offshore System, L.L.C. (HIOS) filed its annual fuel tracker filing for calendar year 2010 activity pursuant to section 28 of its General Terms and Conditions (GT&C). The annual fuel tracker filing includes a revised tariff record<sup>1</sup> and supporting work papers to adjust HIOS' company use percentage as required by section 28.2 of its GT&C. In addition, the filing includes a request for waiver of section 28.3 of its GT&C 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, 2011, 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 GT&C. In this filing, HIOS proposes a company use percentage of 0.47 percent, which is an increase from HIOS' current company use percentage

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<sup>1</sup> Schedule of Company Use %, Sheet No. 8, 2.0.0 to NGA Gas Tariff, FERC NGA Gas Tariff.

of 0.16 percent.<sup>2</sup> 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 of the GT&C, HIOS' company use percentage is the sum of the "Compressor Fuel percentage, the Unaccounted For Gas percentage and the Company Use True up percentage."<sup>3</sup> 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 its three compressor units were destroyed by fire; and, on January 12, 2010, it filed an application with the Commission seeking authorization in Docket No. CP10-43-000 to abandon by removal the destroyed compressor units. In addition, HIOS states that the net result of the true-up for the applicable period was an under-recovery of 829 Dth, which does not result in any true-up adjustment to the company use percentage because the adjustment is too small.

4. Section 28.3 provides for the unaccounted for gas percentage to be calculated annually and is the quotient of (a) the Unaccounted For Gas experienced for the previous calendar year ending each December 31 and (b) the projected quantity of gas received by HIOS for the account of Shippers during the recovery period.<sup>4</sup> HIOS states that, in order to mitigate any increase in the company use percentage caused by declining throughput, it has used 2010 actual throughput as its projection of throughput expected in the recovery period. Therefore, HIOS is requesting waiver of section 28.3 of its GT&C to allow it to use actual 2010 throughput as its projection of throughput, in its calculation of the unaccounted for gas percentage component of the company use percentage.

5. Public notice of HIOS' filing was issued on March 1, 2011. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.<sup>5</sup> Pursuant to Rule 214,<sup>6</sup> all timely filed motions to intervene and any unopposed motions

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<sup>2</sup> HIOS' previous annual fuel tracker filing was accepted by unpublished letter order in Docket No. RP10-403-000 on March 16, 2010.

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

<sup>4</sup> GT&C - Company Use, Sheet No. 146, 0.0.0 to NGA Gas Tariff, FERC NGA Gas Tariff.

<sup>5</sup> 18 C.F.R. § 154.210 (2010).

<sup>6</sup> 18 C.F.R. § 385.214 (2010).

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 made pursuant to the terms of section 28 of its GT&C. Therefore, we accept the revised tariff record effective April 1, 2011, as requested. For good cause shown, we grant HIOS a limited waiver of section 28.3 of its GT&C, to permit the use of actual 2010 throughput as its projection of throughput for the recovery period commencing April 1, 2011.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.