

141 FERC ¶ 61,157
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

November 28, 2012

In Reply Refer To:
Midcontinent Express Pipeline LLC
Docket No. RP13-227-000

Midcontinent Express Pipeline LLC
3250 Lacey Road, Suite 700
Downers Grove, IL 60515-7918

Attention: Bruce H. Newsome, Vice President

Reference: Fuel Tracking Filing

Ladies and Gentlemen:

1. On October 31, 2012, Midcontinent Express Pipeline LLC (MEP) filed a revised tariff record¹ in accordance with section 36 of the General Terms and Conditions (GT&C) of MEP's tariff, which provides for reimbursement percentages for Fuel Gas, Unaccounted For (UAF) Gas, and Booster Compression Fuel to be established on a semi-annual basis. As required by section 36 of the GT&C, MEP's filing establishes the Fuel Gas Reimbursement Percentages for Zone 1 and Zone 2 of MEP's system, the UAF Gas Reimbursement Percentages, and the incremental Booster Compression Fuel Reimbursement Percentage. MEP also requests limited waiver of section 36.3 of its GT&C to implement a UAF Gas reimbursement percentage of zero instead of a negative rate that would result under its tariff mechanism. As discussed below, the Commission finds that good cause exists to grant the limited waiver and accepts the tariff record effective December 1, 2012, as proposed.

2. In its filing, MEP proposes to revise its reimbursement percentages for Fuel Gas by zone, UAF gas for the entire system and Booster Compression Fuel in accordance

¹ Midcontinent Express Pipeline LLC, FERC NGA Gas Tariff, First Revised Volume No. 1, [Sheet No. 12, Currently Effective Rates - Fuel Reimbursement Percentage, 7.0.0.](#)

with section 36 of its GT&C for the next recovery period beginning December 1, 2012 through May 31, 2013. Specifically, MEP proposes the following reimbursement percentages: (1) Fuel Gas reimbursement percentages of 0.678 percent for Zone 1 and 0.291 percent for Zone 2, reflecting increases of 0.261 percent and 0.010 percent, respectively, from the currently effective rates of 0.417 percent for Zone 1 and 0.281 percent for Zone 2; (2) a UAF Gas Reimbursement Percentage of 0.000 percent, instead of the negative 0.335 percentage that would result under its tariff mechanism; and (3) a Booster Compression Incremental Fuel Reimbursement percentage of 0.510 percent reflecting an increase of 0.295 percent from the currently effective rates of 0.215 percent.

3. MEP also requests a limited waiver of sections 36.3 and 36.4 (b) of its GT&C as to the UAF Gas Reimbursement Percentage to implement a UAF Gas reimbursement percentage of zero instead of a negative rate that would result under its tariff mechanism. MEP states that, during the Recovery Period, MEP would not charge shippers for UAF Gas. MEP states that it seeks this limited waiver in order to alleviate operational issues on its system that may occur if the UAF Gas reimbursement percentage is negative. MEP states that, for example, backhaul transportation is not assessed Fuel Gas and only incurs the systemwide UAF reimbursement percentage and that on any such transportation, imposition of a negative UAF Gas reimbursement percentage could result in MEP having to deliver more gas than it receives. MEP states that this could place it in the position of having to purchase operational gas. Moreover, MEP states, if a negative UAF Gas reimbursement percentage was charged on forward haul volumes, MEP would substantially under-collect its anticipated fuel burned during the Recovery Period.

4. Public notice of the filing was issued on November 1, 2012. Interventions and protests were due as provided in section 154.210 of the Commission's regulations, 18 C.F.R. § 154.210 (2012). Pursuant to Rule 214, 18 C.F.R. § 385.214 (2012), 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 the proceeding or place additional burdens on existing parties. No protests or adverse comments were filed.

5. The Commission accepts MEP's proposed reimbursement percentages as just and reasonable, effective December 1, 2012, as requested. We also find that good cause exists to grant the waiver requested by MEP and accept the revised tariff record to effectuate the adjusted fuel reimbursement percentages. The Commission has previously found that holding reimbursement rates at zero, rather than allowing the overall reimbursement rates to go negative, is reasonable so long as all of the over-recovered amount is eventually returned to shippers.² MEP's true-up mechanism will carry this

² See *Columbia Gulf Transmission Co.*, 132 FERC ¶ 61,134, at P 43 (2010).

balance to the next semi-annual adjustment period, and thus ensure that neither MEP nor its shippers are disadvantaged.

By direction of the Commission.

Kimberly D. Bose,
Secretary.