

143 FERC ¶ 61,089
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

May 2, 2013

In Reply Refer To:
Bay Gas Storage Company, Ltd.
Docket No. PR13-39-000

Bay Gas Storage Company, Ltd.
101 Ash Street
San Diego, CA 92101-3017

Attention: William D. Rapp, Counsel

Dear Mr. Rapp:

1. On February 28, 2013, Bay Gas Storage Company, Ltd. (Bay Gas) filed its Company Use Percentage for the 12 month period beginning March 1, 2013. Bay Gas states that it is proposing to continue in effect the currently-effective rate of 0.00 percent, with such continuation to be effective for the 12-month period commencing on March 1, 2013. For the 12-month period beginning January 1, 2012 and ending on December 31, 2012, Bay Gas' total Company Use Percentage of 0.00 percent consisted of a base component of negative 0.10 percent and a true-up component of negative 0.16 percent. The sum of the base component and the true-up component is a negative 0.26 percent.¹

2. Bay Gas further states that it will carry forward until its next annual filing in 2014 69,411 MMBtu of over-recovery of LAUF experienced during 2012, and 46,574 MMBtu of over-recovery experienced during 2011. Bay Gas' currently-effective Company Use Percentage of 0.00 percent for the 12-month period commencing on March 1, 2013 and ending on February 28, 2014 is accepted effective March 1, 2013, as proposed.

¹ Section 12.2.4 of Bay Gas' SOC states that "[i]n no event... shall the effective Company Use Percentage be less than zero (0)." Section 12.2.4 further provides that, to the extent any quantity of the true-up component would cause the Company Use Percentage to be less than zero, such quantity "will be carried forward until the next annual filing."

3. Public notice of Docket No. PR13-39-000 was issued on March 11, 2013 with interventions and protests due on or before March 18, 2013. Pursuant to Rule 214,² all timely filed motions to intervene and any unopposed 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 burdens on existing parties. On March 18, 2013, Southern Company Services (SCS) filed a motion to intervene and comments. On March 28, 2013, Bay Gas filed a motion for leave to answer and answer SCS's comments.³

4. SCS believes that the filing raises a question that would benefit from further consideration, namely whether there is a point at which the balance of over-collected lost and unaccounted for gas volumes reaches a level that warrants the return of such volumes to shippers. SCS states that Bay Gas again has had a net recovery of LAUF volumes (now exceeding 100,000 MMBtu), and the methodology for deriving Bay Gas's Company Use Percentage again has produced a negative number, which results in the Company Use Percentage being set at zero.

5. SCS further states that it offers no opinion on what the over-collected LAUF volume level is, or whether the level has been reached already, or whether the volumes should be returned in full or part, but given the goals of the Company Use Percentage some form of reciprocity for customers of Bay Gas would seem to be in order, and SCS welcomes the opportunity to review this further.

6. Bay Gas responds that section 12.2.4 of its SOC already takes into full account concerns such as SCS's. By carrying forward any positive balance, Bay Gas argues, it is reducing the amount of any under-recovery in LAUF that may be experienced in future periods. Bay Gas claims that SCS recognized this benefit when it entered into the 2008 settlement that implemented the current procedure.⁴ Bay Gas argues that the experience of the past two years does not mean Bay Gas will continue to experience net gains in gas used in its transmission operations. Thus, any solution to SCS's concern would require modifying section 12.2.4, in a way that could possibly harm shippers by eliminating an important buffer against future net losses.

² 18 C.F.R. § 385.214 (2012).

³ Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2012), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept the answer because it provided information that assisted us in our decision-making process.

⁴ See Offer of Settlement, filed in Docket No. PR07-9-000 on April 21, 2008.

7. The Settlement Agreement filed on August 30, 2010 in Docket Nos. PR10-15-000 and PR10-15-001, and approved on September 9, 2010 (Unpublished Letter Order) requires that for section 311 transportation service, Bay Gas shall file, pursuant to a quinquennial review obligation, a petition for rate approval pursuant to 18 C.F.R. § 284.123(b) on or before April 8, 2015. The issue of whether there is a point at which the balance of over-collected lost and unaccounted for gas volumes reaches a level that warrants the return of such volumes to shippers can be addressed when Bay Gas makes its next petition for rate approval. Accordingly, we accept the instant filing.

By direction of the Commission.

Kimberly D. Bose,
Secretary.