

143 FERC ¶ 61,098  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

May 6, 2013

In Reply Refer To:  
High Island Offshore System, L.L.C.  
Docket No. RP13-601-000

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

Attention: Jeffrey M. Molinaro  
Senior Specialist, Regulatory Affairs

Dear Mr. Molinaro:

1. On February 28, 2013, High Island Offshore System, L.L.C. (HIOS) filed its annual fuel tracker filing, pursuant to section 28.4 of its General Terms and Conditions (GT&C), requesting waiver from the requirements of section 28 to allow its current Company Use percentage of zero to remain in effect. Previously, HIOS filed a revised tariff record<sup>1</sup> on October 25, 2012 in order to implement an interim adjustment to its Company Use percentage. In that proceeding, HIOS requested a waiver of section 28.4 to allow a Company Use percentage of zero, effective December 1, 2012, which was granted.<sup>2</sup> As discussed below, the Commission grants HIOS' requested waiver in the instant proceeding to allow the current Company Use percentage of zero to remain in effect.

2. On October 25, 2012, pursuant to section 28.4 of its GT&C, HIOS filed to implement an interim adjustment to its Company Use percentage. In lieu of a negative

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<sup>1</sup> High Island Offshore System, L.L.C., FERC NGA Gas Tariff, NGA Gas Tariff; [Schedule of Company Use %, Sheet No. 8, 5.0.0.](#)

<sup>2</sup> *High Island Offshore System, L.L.C.*, 141 FERC ¶ 61,162 (2012).

Company Use percentage generated by the interim adjustment, HIOS was granted a waiver and allowed to post a Company Use percentage of zero, effective December 1, 2012.<sup>3</sup>

3. HIOS states that it has now calculated a 2013 Company Use percentage based on the annual fuel tracker mechanism for calendar year 2012 activity. HIOS explains that the Company Use percentage has been calculated based on the methodology called for in section 28.3 of the GT&C, including a projection of required compressor fuel and lost and unaccounted-for gas (LAUF) for the recovery period. HIOS calculates the net result of the prospective Company Use calculation to be a negative 0.59 percent. Additionally, HIOS states that the required true-up calculation for the applicable period results in an over-recovery of 1,246 Dth, which it asserts does not result in any true-up adjustment to the prospective Company Use percentage because the resulting adjustment is mathematically too small.

4. HIOS proposes to maintain the Company Use percentage of zero in effect as a matter of administrative convenience for its shippers. HIOS states that since its Company Use is trued up to actual experience on a monthly basis, shippers will not be harmed by the interim use of a Company Use percentage that is somewhat higher than the one calculated. HIOS states that the annual true-up and the continuation in effect of the Company Use percentage of zero will ultimately be reflective of actual annual cumulative experience.

5. Public notice of the filing was issued on March 2, 2013. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.<sup>4</sup> Pursuant to Rule 214,<sup>5</sup> all timely filed motions to intervene and any unopposed motions to intervene out-of-time 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.

6. The Commission finds good cause to grant the waiver requested by HIOS to allow the previously adjusted fuel reimbursement percentage of zero to remain in effect. The Commission has previously found that holding reimbursement rates at zero, rather than requiring an overall negative reimbursement rate, is reasonable so long as the over-recovered amount is eventually returned to the shippers.<sup>6</sup> HIOS's deferred component

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<sup>3</sup> *Id.*

<sup>4</sup> 18 C.F.R. § 154.210 (2012).

<sup>5</sup> 18 C.F.R. § 385.214 (2012).

<sup>6</sup> *See Columbia Gulf Transmission Co.*, 132 FERC ¶ 61,134, at P 43 (2010).

true-up mechanism will carry this balance to the next annual adjustment period, and thus ensures that neither HIOS nor its shippers are disadvantaged.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.