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FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

December 23, 2013

In Reply Refer To:
El Paso Natural Gas Company,
L.L.C.
Docket No. RP14-221-000

El Paso Natural Gas Company, L.L.C.
P.O. Box 1087
Colorado Springs, CO 80944

Attention: Ms. M. Catherine Rezendes
Director, Rates

Ladies and Gentlemen:

1. On November 26, 2013, El Paso Natural Gas Company, L.L.C. (El Paso) filed a revised tariff record¹ to restate the Fuel and Lost and Unaccounted-For (L&U) retention percentages pursuant to section 13 of the General Terms and Conditions (GT&C) of its FERC NGA Gas Tariff. Additionally, El Paso seeks the waiver of certain tariff provisions to allow it to use forecasted throughput and fuel usage to calculate the Mainline Fuel rates and the Willcox Lateral Incremental fuel retention and true-up percentages. As discussed below, the Commission grants the requested waiver and accepts the revised tariff record to become effective January 1, 2014.
2. El Paso states that section 13 of the GT&C provides that it will annually restate its Fuel and L&U percentages to be effective January 1 of each year using a 12-month data collection period ending September 30 of the previous year and two computations which determine a required true-up. First, explains El Paso, the current period Fuel and L&U retention percentages are calculated based on Fuel consumption and L&U experienced during the 12-month data collection period ending September 30, 2013, in the instant case. Second, continues El Paso, it computes a volumetric true-up by comparing the Fuel and L&U retention during the same data collection period against actual Fuel and L&U experienced. Additionally, El Paso states that it computes and collects L&U through a system-wide L&U reimbursement percentage, while the Fuel charges are separated into

¹ El Paso Natural Gas Company, L.L.C., FERC NGA Gas Tariff, EPNG Tariffs, [Part II: Stmt. of Rates, Section 3 - Fuel and L&U Rates, 8.0.0.](#)

defined categories: Mainline Fuel, Production Area Fuel (consisting of Anadarko Basin Fuel, Permian Basin Fuel, and San Juan Basin Fuel) Permian Basin to Anadarko Basin Fuel, Willcox Lateral, and Interruptible Storage Service (ISS) Fuel.

3. According to El Paso, the overall system-wide L&U retention percentage has decreased from 0.42 percent to 0.34 percent. El Paso also states that the current period collection percentage decreased slightly from 0.34 percent to 0.33 percent, and the volumetric true-up decreased from 0.08 percent to 0.01 percent, resulting in a lower overall system-wide L&U percentage.

4. El Paso proposes the following retention percentages for the current period: Total Mainline Fuel 2.47 percent; Anadarko Basin Fuel 0.24 percent; Permian Basin Fuel 0.63 percent; San Juan Basin Fuel 0.53 percent; Permian-to-Anadarko Fuel 0.14 percent; Rate Schedule ISS Fuel 1.58 percent; Willcox Lateral Incremental Fuel 2.05 percent; and L&U 0.34 percent.

5. El Paso explains that its system is integrated and reticulated and that mainline fuel usage on the system is a function of operating conditions. El Paso acknowledges that it over-collected fuel quantities in its prior fuel filing (Docket No. RP13-348-000). However, El Paso emphasizes that the operating conditions for the applicable data collection period required higher fuel usage than projected for the current period, resulting in an under-collection of its Mainline Fuel and the resulting true-up percentage of 0.46 percent.

6. El Paso further states that if it were to use data from the current collection period to project the Mainline Fuel rate, that figure would be approximately 2.30 percent. However, continues El Paso, its projected throughput and fuel usage indicate a lower current period Mainline Fuel rate of 2.01 percent. Thus, states El Paso, to avoid a significant over-collection of Mainline Fuel, it seeks a waiver of applicable tariff provisions to use a 12-month historic collection period to compute Mainline Fuel rates for the period that these rates will be in effect. El Paso proposes the use of forecasted throughput and fuel usage to establish the collection period percentage for Mainline Fuel and thereby avoid a future over-recovery.

7. Similarly, El Paso requests a waiver of applicable tariff provisions to use a 12-month historic collection period to compute the Willcox Lateral Incremental Fuel rate, which the company states it under-collected during the data collection period. El Paso explains that the Willcox Lateral 2013 Expansion Project commenced service on April 1, 2013, with an initial fuel retention rate of 1.60 percent, and under-collected largely because of start-up operations. El Paso states that, to compensate for the under-collection during the data collection period, the indicated tariff provisions project a fuel retention rate of 2.05 percent for the Willcox Lateral. El Paso proposes the use of forecasted throughput and fuel usage, which result in a lower fuel retention gate of 1.54 percent for the Willcox Lateral.

8. Accordingly, El Paso states that good cause exists to waive the requirement to use data from the collection period with respect to Mainline Fuel and Willcox Lateral Incremental Fuel.

9. Public notice of El Paso's filing was issued on November 27, 2013. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2013)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2013)), 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 this proceeding or place additional burdens on existing parties. No protests were filed. El Paso Electric Company (EPEC) filed a motion for additional explanation, but in a December 16, 2013 submittal, EPEC stated that it had resolved its concerns through informal discussions with El Paso and that no additional explanation is necessary.

10. The Commission grants the requested waivers and accepts the revised tariff record, effective January 1, 2014. Given the under-collection of Mainline Fuel during the data collection period and the subsequent over-collection El Paso projects for the current period, it is reasonable for El Paso to propose a decrease in the Mainline Fuel Rate. Similarly, El Paso's request for waiver of its tariff provisions to allow it to use forecasted throughput and fuel usage to establish the current period fuel retention and true-up percentages for the Willcox Lateral Incremental is reasonable so that it can avoid a significant over-collection of fuel on the Willcox Lateral.

11. For good cause shown, the requested waivers are granted and the revised tariff record is accepted, effective January 1, 2014.

By direction of the Commission.

Kimberly D. Bose,
Secretary.