

146 FERC ¶ 61,235
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

March 28, 2014

In Reply Refer To:
KPC Pipeline, LLC
Docket No. RP14-573-000

John & Hengerer
1730 Rhode Island Avenue, NW
Suite 600
Washington, DC 20036-3116

Attention: Matthew T. Rick

Dear Mr. Rick:

1. On February 28, 2014, KPC Pipeline, LLC (KPC) filed tariff records¹ to reflect fuel reimbursement percentages (FRP) and correct certain contact information. KPC's filing is accepted and suspended to be effective April 1, 2014, subject to refund and to the condition discussed below.
2. KPC states that Section 23 of the General Terms and Conditions of the KPC tariff provides for an annual fuel reimbursement adjustment to reflect decreases or increases in fuel usage and lost and unaccounted for gas. The revised tariff records reflect the following changes to the FRP:

Zones	Change in Fuel Reimbursement	
	Apr 14-Oct 14 (Summer)	Nov 14-Mar 15 (Winter)
Zone 1 (reflects a decrease for both periods)	(0.0063%)	(0.2118%)
Zone 2 (reflects an increase for both periods)	0.3949%	0.6994%
Zone 3 (reflects an increase for both periods)	0.1006%	0.1728%

3. KPC states that on a total system wide basis (Zone 1 through Zone 3), KPC proposes an increase in the FRP for both the summer period (from 0.1490 percent to 0.6382 percent) and the winter period (from 0.3570 percent to 1.0174 percent). The

¹ See Appendix.

increase reflects the fact that last year's FRPs were exceedingly low (zero in four of the six zone periods) due to a previous over-recovery. That over-recovery has since been eliminated, resulting in more normal FRPs.

4. KPC states that the updated FRPs were calculated using the methodology followed by KPC in previous annual filings. The computations made by KPC pursuant to that methodology are reflected in the supporting materials provided in Appendix B

5. Public notice of the filing was issued on March 4, 2014. 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 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 12, 2014, ScissorTail Energy, LLC (ScissorTail) filed comments.

6. ScissorTail states that it undertook a review of KPC's filing to determine the reasonableness of the fuel and loss reimbursement percentages proposed by KPC. However, ScissorTail found the workpapers provided by KPC insufficient to conduct a complete review. In particular, ScissorTail would appreciate having a better understanding of the 44,491 Dth "Fuel Adjustment" proposed by KPC on Appendix B, Page 4 of the workpapers, which appears to have a significant impact on the fuel and loss reimbursement percentages proposed by KPC. ScissorTail asks the Commission to require KPC to provide support for all adjustments included in the filing.

7. On March 19, 2014, KPC filed an answer to address the concerns raised by ScissorTail in its comments. KPC states that the adjustment was made to account for operational purchases that were made by KPC during the recent winter heating season, which were necessary to maintain and build line pack and to preserve system integrity during periods of exceptionally cold weather and high demand. Because it assists the Commission's decision-making, we will accept KPC's answer.

8. Section 23 of KPC's tariff allows for adjustments to the FRPs to reflect reductions or increases in fuel usage and lost and unaccounted for gas. KPC's tariff does not authorize incorporation of line pack or other non-fuel items into the fuel tracker. Therefore, KPC's inclusion of these volumes in its tracker is inappropriate.² Based on

² See, e.g., *El Paso Natural Gas Co.*, 129 FERC ¶ 61,006, at P 26 (2009).

the Commission's review, we accept KPC's filing subject to its removal of the line pack volumes listed in its Fuel Adjustment within 15 days of this order.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

Appendix

KPC Pipeline, LLC
FERC NGA Gas Tariff
FERC Gas Tariff, Third Revised Volume No. 1

Tariff Records Accepted and Suspended, Effective April 1, 2014, Subject to Condition

[1-Title Page, 4.0.0](#)

[12-Fuel Reimbursement Percentages, 5.0.0](#)

[27-GT&C Section 6 \(Requesting Service\), 4.0.0](#)