

147 FERC ¶ 61,149
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

May 27, 2014

In Reply Refer To:
High Island Offshore System, L.L.C.
Docket No. RP14-529-000

High Island Offshore System, L.L.C.
Attention: Jeffrey M. Molinaro
1100 Louisiana Street
Houston, TX 77002

Dear Mr. Molinaro:

1. On February 27, 2014, High Island Offshore System, L.L.C. (HIOS) filed its annual Company Use tracker filing, including supporting work papers showing the calculation of the Company Use percentage, pursuant to section 28.2 of its General Terms and Conditions (GT&C). In addition, the filing requests waiver from the requirements of section 28 to allow its current Company Use percentage of zero to remain in effect. 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. HIOS states that it calculated a 2014 Company Use percentage based on the annual fuel tracker mechanism for calendar year 2013 activity. HIOS explained that the Company Use percentage has been calculated based on the methodology set forth in section 28.3 of the GT&C, which includes a projection of required fuel and lost and unaccounted-for gas (LAUF) for the recovery period divided by projected receipt quantities during the recovery period, and adjusted to reflect a true-up of experience from the prior recovery period. HIOS calculates the net result of the prospective Company Use calculation to be a positive 1.76 percent. HIOS states the Company Use is limited to LAUF gas because there is no more compression on its system. Additionally, HIOS states that the required true-up calculation for the applicable prior period results in a negligible over-recovery of 631 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.

3. HIOS proposes to maintain the Company Use percentage of zero¹ 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 a Company Use percentage that is different 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. Moreover, the interim adjustment also required by HIOS's FERC Gas Tariff will further ensure that there is no impact on shippers as a result of the grant of a continued waiver of HIOS's GT&C section 28.2.

4. 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.² Pursuant to Rule 214,³ 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.

5. The Commission finds good cause to grant the waiver requested by HIOS to allow the Company Use 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.⁴ Because the instant proceeding has an overall positive reimbursement rate, the shippers will not be harmed and HIOS will bear the burden of the reimbursement rate. Also, HIOS' deferred component 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.

¹ The currently effective Company Use percentage of zero was initially accepted in *High Island Offshore System, L.L.C.*, 141 FERC ¶ 61,162 (2012). Waiver was granted to allow the Company Use percentage of zero to remain in effect in *High Island Offshore System, L.L.C.*, 143 FERC ¶ 61,098 (2013).

² 18 C.F.R. § 154.210 (2013).

³ 18 C.F.R. § 385.214 (2013).

⁴ See *Columbia Gulf Transmission Co.*, 132 FERC ¶ 61,134, at P 43 (2010).