

147 FERC ¶ 61,169
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

May 30, 2014

In Reply Refer To:
Chandeleur Pipe Line, LLC
Docket No. RP14-820-000

Chevron Pipe Line Company
Attention: Kimberly S. Jones, Manager Regulatory & Compliance
4800 Fournace Place
Bellaire, TX 77401

Dear Ms. Jones:

1. On April 30, 2014, Chandeleur Pipe Line, LLC (Chandeleur) filed its Annual True-Up Filing, including supporting documentation, as provided for in section 8.8.4(f) of Chandeleur's currently effective FERC Gas Tariff, Third Revised Volume No. 1. In its filing, Chandeleur also requests waiver¹ from the requirement in section 8.8.4(f) of its tariff that Chandeleur implement a 12-month surcharge to credit it shippers in connection with its Annual True-Up Filing. Chandeleur proposes instead to issue a one-time credit to shippers of the current balance of the amounts collected in excess of costs for the period August 1, 2010 through March 31, 2014. As discussed more fully below, the Commission grants Chandeleur's requested waiver to allow the one-time credit to shippers of the amounts collected in excess of costs under Chandeleur's cash-out program.

2. According to Chandeleur, section 8.8.4(c) of its tariff requires it to cash out shipper imbalances on a monthly basis. Chandeleur further states that section 8.8.4(f) of its tariff requires Chandeleur to calculate the difference, if any, between revenues and costs under its cash-out program for an Annual Billing Period.² Chandeleur states that, if

¹ Chandeleur requests waiver of section 8.8.4(f) of its tariff in accordance with section 154.7(a)(7) of the Commission's regulations (18 C.F.R. § 154.7(a)(7) (2013)).

² Annual Billing Period is defined in section 8.8.4(f) as "the one year period beginning on April 1 of each calendar year and ending on March 31 of the next succeeding calendar year."

the difference between the revenues Chandeaur collects and the costs it incurs under its cash-out program is less than \$100,000, Chandeaur will carry forward the difference to the next Annual Billing Period. If the difference is greater than \$100,000, Chandeaur's tariff requires it to file an "Annual True-Up Filing" within 30 days of the end of that Annual Billing Period to establish a surcharge to either credit or collect any over or under recovery, as applicable, based on the projected firm and interruptible throughput for the next Annual Billing Period.

3. Chandeaur states that, although it implemented the cash-out provisions set forth in section 8.8.4 of its tariff in 2010, due to an administrative oversight it has not submitted its Annual True-Up Filings as required by its tariff. Chandeaur avers that, for the first two years after implementation of the cash-out program, it significantly under recovered its costs. Thus, Chandeaur states that any surcharge would have increased shippers' rates. Chandeaur asserts that it did not enter a cumulative net over recovery position until the fourth Annual Billing Period that ended on March 31, 2014.³

4. Chandeaur states that the cumulative net over recovery of imbalance management revenues for the four Annual Billing Periods (August 1, 2010 through March 31, 2014) is less than \$100,000. However, in the interests of transparency, Chandeaur requests that the Commission grant any waivers necessary to allow Chandeaur to make a one-time refund of the cumulative net over recovered amounts to its shippers, rather than implementing an extremely small surcharge to credit this amount over the coming 12-month period, as required by section 8.8.4(g) of its tariff. Chandeaur submits that granting this waiver will allow it to start with a "clean slate" in its next Annual True-Up Filing and will provide an immediate benefit to its shippers. Chandeaur also states that it has implemented internal controls to prevent any future failures to file required Annual True-Up Filings, and asserts that no shipper has been harmed by its previous oversights.

5. Public notice of the filing was issued on May 1, 2014. Interventions and protests were due on May 12, 2014, as provided in section 154.210 of the Commission's regulations.⁴ Pursuant to Rule 214,⁵ all timely filed motions to intervene and any unopposed motions to intervene out-of-time before the issuance date of this order are

³ Chandeaur submitted with its filing Exhibit A, which shows the Cumulative Net Over/(Under) Recovery of Imbalance Manage Revenues from August 1, 2010 through March 31, 2014. Exhibit A also shows the proposed refund for each of Chandeaur's affected shippers.

⁴ 18 C.F.R. § 154.210 (2013).

⁵ 18 C.F.R. § 385.214 (2013).

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 waiver of the requirement in section 8.8.4(f) of Chandeleur's tariff that it implement a 12-month surcharge to credit its shippers in connection with its Annual True-Up Filing. Granting the requested waiver will allow Chandeleur to provide its shippers a more immediate credit for amounts over collected for the period August 1, 2010 through March 31, 2014, instead of having those shippers recoup those amounts over a 12-month period. While we will grant Chandeleur its requested waiver in this instance so that its shippers may obtain their due amounts in a timely manner, we remind Chandeleur that it remains obligated to abide by the terms of its tariff and to make future Annual True-Up Filings in a timely manner to the extent required.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.