

147 FERC ¶ 61,248
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Cheryl A. LaFleur, Acting Chairman;
Philip D. Moeller, John R. Norris,
and Tony Clark.

Rockies Express Pipeline LLC

Docket No. RP14-1003-000

ORDER ACCEPTING TARIFF RECORDS

(Issued June 24, 2014)

1. On May 28, 2014, pursuant to the Uncontested Offer of Settlement and Stipulation and Agreement (Settlement) filed in Docket No. RP11-1844-000, *et al.*, Rockies Express Pipeline LLC (Rockies Express) filed tariff records¹ to modify its fuel mechanism and rates for collecting (1) fuel and lost and unaccounted-for (FL&U) quantities and (2) electric powered compression costs. The Commission accepts the proposed tariff records, to be effective July 1, 2014.

Background

2. The Commission set Rockies Express' annual FL&U filing under Docket No. RP11-1844-000 and RP12-399-000 for hearing.² The Commission accepted subsequent filings by Rockies Express in Docket Nos. RP12-1131-000, RP13-610-000, and RP14-536-000, subject to the outcome of those hearing proceedings.

¹ Rockies Express Pipeline LLC, FERC NGA Gas Tariff, Third Revised Volume No. 1; CURRENTLY EFFECTIVE RATES, Currently Effective Rates - ITS/FTS/BHS FL&U, 7.0.0; CURRENTLY EFFECTIVE RATES, Currently Effective Rates - ITS/FTS/BHS Power Cost Tracker, 0.0.0; GT&C - DEFINITIONS, Section 1 - Definitions, 3.0.0; PURCHASE / SALE OF GAS, Section 11 - Imbal, Pur/Sale of Gas, 2.0.0; PRA - FL&U Reimbursement, Section 38 - PRA - FL&U Reimbursement, 1.0.0; PRA Power Cost Tracker, Section 40 - PRA - Power Cost Tracker, 0.0.0.

² *Rockies Express Pipeline LLC*, 134 FERC ¶ 61,248 (2011), *order on reh'g*, *Rockies Express Pipeline LLC*, 138 FERC ¶ 61,241, at P 53 (2012).

3. On May 16, 2014, Rockies Express filed a Settlement which resolved all issues in Docket Nos. RP11-1844-000, RP12-399-000, RP12-1131-000, RP13-610-000, and RP14-536-000. No comments were filed opposing the Settlement, and the Commission issued an order approving the uncontested Settlement.³

Instant Filing

4. Rockies Express' system utilizes a combination of electric and gas-fired compressor stations, and Rockies Express' tariff currently provides for the recovery of the electric and gas fuel costs through the use of a single-part FL&U rate. In conformity with the Settlement and *pro forma* tariff records filed with the Settlement, Rockies Express proposes to assess fuel costs using separate charges for: (1) gas powered compressor related FL&U quantities, which will be collected in-kind; and (2) electric compression power costs, which will be collected in cash pursuant to a Power Cost Tracker (PCT).

5. Rockies Express also proposes new FL&U and PCT rates which are the same as the rates specified in the *pro forma* tariff records filed with the Settlement. To close out accumulated over-recoveries in its Deferred Account which resulted from its prior mechanism, Rockies Express requests approval to implement a cash-out refund of its Deferred Account balance. Rockies Express states it will issue these payments within 30 days of a final Commission order on the instant filing.

6. Finally, Rockies Express proposes to supplement its reporting of annual operational purchases and sales under GT&C Section 11 – Imbalances, Purchase and Sale of Gas and Acquisition of Off-System Capacity, to include the source of any operational quantities sold in the future (in accordance with a term in the Settlement).

7. Rockies Express requests Commission action by June 24, 2014, to provide sufficient notice for its shippers to adjust gas supply quantities prior to the July 1, 2014 effective date.

Protest and Comments

8. Public notice of the subject filing was issued on May 29, 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 June 6, 2014, Ultra Resources, Inc. (Ultra) filed comments.

³ *Rockies Express Pipeline LLC*, 147 FERC ¶ 61,242 (2014).

9. Ultra states it supports Rockies Express' proposed tariff revisions. However, Ultra states that it "desires to avoid unintended consequences, and, therefore, conditions its support on how the proposed tariff provisions are applied in practice."⁴ Ultra requests the Commission condition approval of the proposed tariff revisions upon implementation of the tariff records consistent with the Commission's "ANR Policy and the Commission's decision in *Ruby Pipeline*, 142 FERC ¶ 61,104 (2013)."⁵

Commission Determination

10. The Commission accepts the proposed tariff records, which conform to the Settlement approved by the Commission in Docket Nos. RP11-1844-000, *et al.* The Commission declines to impose the conditions sought by Ultra. The Settlement included *pro forma* tariff records which incorporated the new fuel mechanism, and Ultra has made no argument that the proposed tariff records deviate from parties' understanding as reflected in the Settlement. Moreover, Ultra participated in the Settlement negotiations and had an opportunity to negotiate terms and conditions to address its concerns at that time. If in the future Ultra believes that the Commission's policies or Settlement terms are being misapplied, Ultra may bring its specific concerns to the Commission. Accordingly, the Commission will accept the proposed tariff records in footnote one effective July 1, 2014. Consistent with Article 3 of the Settlement, Rockies Express is authorized to refund the quantities in its Deferred Account which accrued under the prior mechanism.

The Commission orders:

(A) The tariff records listed in footnote one are accepted, effective July 1, 2014.

(B) Rockies Express' request to refund the accrued quantities in its Deferred Account is granted.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁴ Ultra Comments at 4.

⁵ *Id.*