

147 FERC ¶ 61,251  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

June 26, 2014

In Reply Refer To:  
Kinder Morgan Louisiana  
Pipeline LLC  
Docket No. RP14-1007-000

Kevin Palmer, Manager - Regulatory  
Kinder Morgan Louisiana Pipeline LLC  
3250 Lacey Road, Suite 700  
Downers Grove, IL 60515-7918

Dear Mr. Palmer:

1. On May 29, 2014, Kinder Morgan Louisiana Pipeline LLC (KML) filed a revised tariff record<sup>1</sup> to implement a Periodic Fuel Rate Adjustment that modifies its reimbursement percentages for Line Heater Gas and Unaccounted For (UAF) Gas,<sup>2</sup> in accordance with section 36 of the General Terms and Conditions (GT&C) of its tariff. KML requests waiver of sections 36.4 and 36.5 of its GT&C, so that it may continue its reimbursement percentage of zero for UAF gas instead of a negative rate that would result under its existing tariff mechanism.<sup>3</sup> KML also requests that the revised tariff record be made effective July 1, 2014. As discussed below and for good cause shown, the Commission grants the requested waiver and accepts the proposed tariff record, effective July 1, 2014, as requested.

---

<sup>1</sup> Kinder Morgan Louisiana Pipeline LLC, FERC NGA Gas Tariff, First Revised Volume No. 1; [Sheet No. 6, Currently Effective Rates - Reimbursement Percentages, 4.0.0.](#)

<sup>2</sup> KML states that it is not establishing a reimbursement percentage for Fuel Gas because it does not have compression on its system at this time.

<sup>3</sup> KML was granted waiver of tariff sections 36.4 and 36.5 of its GT&C to implement a UAF gas reimbursement percentage of zero in 2012 and 2013. *See Kinder Morgan Louisiana Pipeline LLC*, 139 FERC ¶ 61,274 (2012) and *Kinder Morgan Louisiana Pipeline LLC*, 143 FERC ¶ 61,277 (2013).

2. KML states that, as required by section 36 of the GT&C of its tariff, the instant filing establishes the reimbursement percentages for Line Heater gas and UAF gas for its entire system, to be in effect for July 1, 2014 through June 30, 2015 (the Recovery Period). According to KML, the reimbursement percentages for Line Heater gas and UAF gas are comprised of the sum of a current component, which is designed to recover Line Heater gas or UAF gas anticipated to occur over the Recovery Period, and a Deferred Component, which is calculated by KML to reconcile over or under collected costs for Line Heater or UAF gas that occurred during the 12-month period ending April 30, 2014 (the Base Period). KML's tariff record reflects a proposed Line Heater Gas Reimbursement Percentage of 0.81 percent, which is a decrease of 0.23 percent from the current rate of 1.04 percent. KML states the proposed Line Heater Gas Reimbursement Percentage consists of a Current Component of 0.48 percent and a Deferred Component of 0.33 percent. KML's UAF gas reimbursement consists of a Current Component of 0.17 percent and a Deferred Component of a negative 4.76 percent (-4.76), which would result in a UAF fuel percentage of a negative 4.59 percent (-4.59). However, upon Commission approval of the requested waiver, KML proposes to continue the currently effective 0.00 percent of its UAF Gas Reimbursement Percentage.

3. KML requests waiver of sections 36.4 and 36.5 of the GT&C of its tariff to allow the continuation of a zero reimbursement percentage for UAF gas instead of a negative rate that would result under its tariff mechanism. During the Recovery Period, KML states that it would not charge shippers for UAF gas. KML states that imposing a negative UAF Gas Reimbursement Percentage could result in KML having to deliver more gas than it receives and could place KML in the position of having to purchase operational gas. KML states the Commission has previously granted waiver to allow KML to utilize the zero UAF Gas Reimbursement Percentage,<sup>4</sup> and its current waiver request is consistent with Commission precedent.<sup>5</sup> In addition, KML states its requested waiver allows an opportunity for UAF gas to return to a more balanced level and for the deferred account to be reduced, as contemplated under the workings of its tracker mechanism.

4. Public notice of KML's filing was issued on June 2, 2014. Interventions and protests were due June 10, 2014, as provided by section 154.210 of the Commission's regulations.<sup>6</sup> Pursuant to Rule 214,<sup>7</sup> all timely filed motions to intervene and any

---

<sup>4</sup> KML Transmittal at 3 (citing *Kinder Morgan*, 143 FERC ¶ 61,277).

<sup>5</sup> *Id.* (citing *Midcontinent Express Pipeline LLC.*, Docket No. RP14-814-000 (May 21, 2014) (delegated letter order)).

<sup>6</sup> 18 C.F.R. § 154.210 (2013).

<sup>7</sup> 18 C.F.R. § 385.214 (2013).

unopposed motions 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 this proceeding or place additional burdens on existing parties. No protests or adverse comments were filed.

5. The Commission finds that KML has shown good cause to grant its waiver request. The Commission has previously found that holding fuel reimbursement rates at zero, rather than allowing a negative overall reimbursement rate, is reasonable so long as the over-recovered amount is eventually returned to the shippers.<sup>8</sup> In this case, KML's Deferred Component true-up mechanism will carry this balance over to the next adjustment period and, thus, ensures that neither KML nor its shippers are unduly disadvantaged. Therefore, the Commission grants KML's request for waiver of sections 36.4 and 36.5 of its GT&C and accepts the proposed revised tariff record effective July 1, 2014, as requested.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

---

<sup>8</sup> See *Columbia Gulf Transmission Co.*, 132 FERC ¶ 61,134, at P 43 (2010); see also *Kinder Morgan*, 139 FERC ¶ 61,274.