

149 FERC ¶ 61,167
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

November 25, 2014

In Reply Refer To:
Algonquin Gas Transmission, LLC
Docket No. RP15-136-000

Algonquin Gas Transmission, LLC
P.O. Box 1642
Houston, TX 77251-1642

Attention: Berk Donaldson, General Manager
Rates and Certificates

Dear Mr. Donaldson:

1. On October 31, 2014, Algonquin Gas Transmission, LLC (Algonquin) submitted a tariff record¹ pursuant to the Fuel Reimbursement Quantity (FRQ) provisions of its tariff. In addition, Algonquin submitted the surcharge amounts for the FRQ deferred accounts. The FRQ provisions require Algonquin to update the fuel reimbursement percentages annually and to calculate a surcharge or refund to be paid 60 days after the Commission's acceptance of the annual filing. Algonquin requested waiver of this provision so that the surcharge amounts may be spread out over a 12-month period. For the reasons discussed below, the Commission will grant waiver of the tariff provision and accept the tariff record to be effective December 1, 2014, as requested.

2. Algonquin submitted a revised tariff record pursuant to its FRQ provisions contained in section 32 of the General Terms and Conditions (GT&C) of its FERC Gas Tariff. Algonquin's filing reflects its proposed fuel reimbursement quantities for the 12-month period beginning December 1, 2014. The proposed fuel reimbursement quantities are based on actual data for the 12-month period ending July 31, 2014. They reflect: (1) for system customers an increase of 0.06 percent (from 0.91 percent to 0.97 percent) for the winter period and an increase of 0.26 percent (from 0.81percent to

¹ Algonquin Gas Transmission, LLC, FERC NGA Gas Tariff, Algonquin Database 1, 12., Fuel Reimbursement Percentages, 6.0.0.

1.07 percent) for the non-winter period; and (2) for incremental Ramapo customers an increase of 0.27 percent (from 2.11 percent to 2.38 percent) for the winter period and an increase of 0.26 percent (from 1.73 percent to 1.99 percent) for the non-winter period.

3. Algonquin also included in its filing the calculation of the FRQ deferred account allocation. GT&C section 32.5(c) provides that Algonquin will calculate surcharges or refunds designed to amortize, during a 60-day period, the net monetary value of the balance in the FRQ Deferred Account at the end of the current accumulation period. For the current accumulation period (August 1, 2013 through July 31, 2014), the FRQ deferred account has a debit balance of approximately \$32.4 million, inclusive of interest, through October 31, 2014. Algonquin states that increased winter throughput, combined with the pattern of receipts on its system, have resulted in an increase in the number of days on which operating restrictions were necessary. Algonquin further states that these restrictions reduced the opportunities for customers to make up imbalances. As a result, Algonquin states that it was required to purchase gas and sell gas under the cash-out mechanism of its tariff. However, Algonquin states that it was required to purchase higher-priced gas during the winter period and sell lower-priced gas during the non-winter months. This resulted in a net debit balance in its FRQ deferred account. Because of the magnitude of the balance, Algonquin is requesting a waiver of the 60-day provision so that surcharges may be spread out over a 12-month period.

4. Public notice of the filing was issued on November 3, 2014. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.² Pursuant to Rule 214,³ all timely motions to intervene and any 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 has reviewed Algonquin's proposed fuel reimbursement percentages and the surcharge amounts under the FRQ deferred account and finds that they are consistent with the provisions of section 32.5 of the GT&C. The Commission therefore accepts for filing the tariff record listed in footnote 1, effective December 1, 2014. The Commission also finds that Algonquin's requested waiver of section 32.5(c) of its GT&C is sufficiently supported. Customers have the option of paying the surcharge amount 60 days after the date of this order or spreading out the payments, with interest, over a 12-month period. Accordingly, for good cause shown, the Commission grants a one-time waiver of section 32.5(c) of the GT&C to permit customers to spread out the payment of the FRQ surcharge over a 12-month period.

² 18 C.F.R. § 154.210 (2014).

³ 18 C.F.R. § 385.214 (2014).

By the direction of the Commission.

Kimberly D. Bose,
Secretary.