150 FERC ¶ 61,253
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Cheryl A. LaFleur, Chairman;
Philip D. Moeller, Tony Clark,
Norman C. Bay, and Colette D. Honorable.

Enbridge Energy, Limited Partnership Docket No. IS15-203-000

ORDER ACCEPTING TARIFF FILING

(Issued March 31, 2015)

1. On February 27, 2015, Enbridge Energy, Limited Partnership (Enbridge) filed FERC Tariff No. 43.16.0 in Docket No. IS15-203-000 to implement its annual change to the Facilities Surcharge Mechanism (FSM). As discussed below, Enbridge's filing is accepted to be effective April 1, 2015.

Background

2. The Facilities Surcharge was established in June 2004, when FERC approved an offer of settlement in Docket No. OR04-2-000.[1] The Facilities Surcharge allows Enbridge to recover the cost of shipper-approved projects as a surcharge rather than as part of the base rates subject to indexing. The Facilities Surcharge is a cost-of-service tariff mechanism that is trued-up each year to actual costs and throughput.

3. The subject filing, Enbridge's FERC Tariff No. 43.16.0, implements the Facilities Surcharge for a one year period, commencing April 1, 2015. This filing reflects the true-up of the difference between estimated and actual costs and throughput data in the prior year, as well as projected costs and throughput for 2015, for each of 23 projects previously approved by shippers, including parts of Project 24.[2] As Enbridge explains in its transmittal letter, this filing does not include any of the Project 24 costs that were protested by Flint Hills Resources, LP or Suncor in the December 1, 2014 supplement

---

[1] *Enbridge Energy, Limited Partnership*, 107 FERC ¶ 61,336 (2004).

[2] The most recent supplement was filed on December 1, 2014 and approved in February 2015. *Enbridge Energy*, *Limited Partnership*, 150 FERC ¶ 61,069 (2015).

filing. Additionally, Enbridge explains, this filing does not include any costs related to Project 24's fourth component the Line 6B Expansion as it will not be in service in 2015. The instant filing results in an approximate 4 percent rate decrease on the Enbridge system.

Protests and Answer

4. On March 16, 2015, Suncor Energy Marketing, Inc. (Suncor) filed a motion to intervene and protest. Suncor argues that Enbridge is using outdated capacities from expired agreements in calculating the surcharge. Suncor states that Enbridge is using a throughput calculation of 243,000 cubic meters per day (m3/d)[3] as the base capacity, and that this capacity comes from an expired 1998 settlement. Suncor states the current throughput on the Enbridge system is 199,400 m3/d. Suncor alleges that Enbridge will over collect $94.6 million per year due to the use of the higher base capacity in calculating the Facilities Surcharge.

5. Enbridge filed an answer on March 20, 2015. Enbridge states that it has applied the FSM Settlement in this case in exactly the same manner as it has since 2004. Enbridge further asserts that none of the costs making up the FSM adjustment have been challenged in this docket, and Enbridge argues that, therefore, Suncor's objection to the recovery methodology is misplaced here. Enbridge maintains that a shipper may not protest an unchanged element of a pipeline's tariff and that as the FSM calculation methodology has not changed, Suncor cannot protest the methodology.

6. Enbridge also argues that it is inappropriate for Suncor to rely on the expired 1998 settlement to attempt to change the method of calculating the FSM. Enbridge states that the two FSM components Suncor mentions by name, the Southern Access Expansion (SA Settlement) and the Alberta Clipper project (ABC Settlement) do not employ any base capacity numbers for purposes of calculating the index revenue credits. Instead, Enbridge shows that the SA and ABC Settlements utilize Qualifying Volumes (QVs). Enbridge explains QVs as incremental throughput transported by Enbridge past Superior, WI and flowing on Lines 6A, 14 and/or 61. Enbridge states that FERC has approved the QV methodology in multiple orders. Enbridge concludes that Suncor is incorrect in arguing that the FSM relies on a base capacity number and that the challenge to the FSM methodology is inappropriate and without merit.

Discussion

7. The Commission accepts Enbridge's proposed tariff to become effective April 1, 2015. The issues raised by Suncor are objections to the FSM and the usage of QVs, both

---

[3] 1 cubic meter per day is equivalent to 6.29 barrels of oil per day.

of which have been previously accepted by the Commission for flowing-through certain shipper-approved facilities costs to Enbridge's shippers.[4] The only issue before the Commission is whether Enbridge has appropriately applied the existing methodology not whether the methodology should be modified. To the extent that Suncor objects to the FSM methodology, Suncor has the option of filing a complaint.

8. As for the application of the FSM in the instant case, there is no reason to find that Enbridge's cost calculations are unreasonable, or that it has incorrectly applied the existing methodology to determine the FSM surcharge. Furthermore, any collections by Enbridge pursuant to the surcharge are subject to the next true-up which would return any over-collections to shippers through the next FSM compliance filing. Accordingly, the Commission does not find merit in the arguments raised by Suncor and denies Suncor's protest.

<u>The Commission orders</u>:

Enbridge's FERC Tariff No. 43.16.0 is accepted, effective April 1, 2015.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

[4] QVs have been accepted by the Commission in both the SA and ABC Settlements: *Enbridge Energy, Limited Partnership,* 114 FERC ¶ 61,264 (2006), and *Enbridge Energy, Limited Partnership*, 124 FERC ¶ 61,200 (2008).