

151 FERC ¶ 61,268
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

June 30, 2015

In Reply Refer To:
Kinder Morgan Louisiana
Pipeline LLC
Docket No. RP15-1016-000

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, 2015, Kinder Morgan Louisiana Pipeline LLC (KML) filed a revised tariff record¹ to implement a Periodic Fuel Rate Adjustment that modifies its reimbursement percentages for Line Heater Gas and Unaccounted For (UAF) Gas,² 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 the GT&C of its tariff in order to charge a reimbursement percentage of zero for both Line Heater Gas and UAF Gas instead of a negative rate that would result under its existing tariff mechanism.³ KML also requests that the revised tariff record be made effective July 1, 2015. As discussed

¹ Kinder Morgan Louisiana Pipeline LLC, FERC NGA Gas Tariff, First Revised Volume No. 1; [Sheet No. 6, Currently Effective Rates - Reimbursement Percentages, 5.0.0.](#)

² 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.

³ The Commission granted KML similar waivers of tariff sections 36.4 and 36.5 of the GT&C of its tariff to implement a UAF Gas reimbursement percentage of zero in 2012, 2013, and 2014. *See Kinder Morgan Louisiana Pipeline LLC*, 147 FERC ¶ 61,251 (2014) (*Kinder Morgan*), *Kinder Morgan Louisiana Pipeline LLC*, 143 FERC ¶ 61,277 (2013), and *Kinder Morgan Louisiana Pipeline LLC*, 139 FERC ¶ 61,274 (2012).

below and for good cause shown, the Commission grants the requested waiver and accepts the proposed tariff record, effective July 1, 2015, as requested.

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, 2015 through June 30, 2016 (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, 2015 (Base Period).

3. KML's tariff record reflects a proposed Line Heater Gas Reimbursement Percentage of negative 0.22 percent, based on a Current Component of 0.28 percent and a Deferred Component of negative 0.50 percent. As noted, KML requests a waiver of section 36.5 of the GT&C of its tariff to implement a Line Heater Gas Reimbursement Percentage of zero in lieu of charging this negative rate. KML states the proposed Line Heater Gas Reimbursement Percentage consists of KML proposes to pass back only the portion of the Deferred Account balance (\$29,243) for Line Heater Gas that would result in a zero percentage when combined with the Current Component.

4. According to the filing KML's UAF Gas reimbursement consists of a Current Component of 0.04 percent and a Deferred Component of a negative 1.47 percent, which would result in a UAF fuel percentage of a negative 1.43 percent. As noted, KML proposes to continue the currently effective 0.00 percent of its UAF Gas Reimbursement Percentage upon Commission approval of the waiver requested herein.

5. 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, and to implement a zero reimbursement charge for Line Heater Gas, instead of charging the negative rates that result under its tariff mechanism calculations. During the Recovery Period, KML states that it would not charge shippers for Line Heater or UAF Gas. KML states that imposing a negative UAF or Line Heater 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,⁴ and its

⁴ KML Transmittal at 5 (citing *Kinder Morgan*, 147 FERC ¶ 61,251).

current waiver request is consistent with Commission precedent.⁵ In addition, KML states its requested waiver allows an opportunity for Line Heater and 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.

6. In addition, KML notes that since 2009, it has inadvertently omitted vented gas volumes from its accounting for the UAF Gas Deferred Account. KML states that vented gas is included in the definition of UAF in its tariff. As a result, KML included an analysis demonstrating what the Deferred Account would have been had the actual gas vented volumes on its system since 2009 had been included.⁶ KML's instant filing contains an adjustment for gas vented, beginning April 2015, to the Deferred Account balance. Specifically, KML estimates the over-collection in its Deferred Account would have been \$366,556 lower had the gas vented volumes been reflected. As the adjusted balance would still result in an over-recovered position in KML's UAF Deferred Account Balance at April 30, 2015, (\$151,162) rather than (\$517,718), KML states that the computation of its UAF Gas Reimbursement Percentage would remain negative, and therefore, KML proposes to continue in effect a UAF Reimbursement Percentage of zero.

7. Public notice of KML's filing was issued on June 4, 2015. Interventions and protests were due June 10, 2015, as provided by section 154.210 of the Commission's regulations.⁷ Pursuant to Rule 214,⁸ all timely filed 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.

8. 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

⁵ *Id.* (citing *Midcontinent Express Pipeline LLC.*, Docket No. RP14-814-000 (May 21, 2014) (delegated letter order); *ETC Tiger Pipeline, LLC*, 145 FERC ¶ 61,171, at P 8 (2013); *KPC Pipeline, LLC*, 142 FERC ¶ 61,230, at P 8 (2013); *Midcontinent Express Pipeline LLC*, 145 FERC ¶ 61,174, at P 6 (2013); *High Island Offshore System, L.L.C.*, 143 FERC ¶ 61,098, at P 6 (2013)).

⁶ See Attachment 9 of KML's Transmittal.

⁷ 18 C.F.R. § 154.210 (2014).

⁸ 18 C.F.R. § 385.214 (2014).

the over-recovered amount is eventually returned to the shippers.⁹ 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. Further, granting the waiver will assist KML in mitigating potential operational issues. 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, 2015, as requested.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁹ See *Columbia Gulf Transmission Co.*, 132 FERC ¶ 61,134, at P 43 (2010); see also *Kinder Morgan Louisiana Pipeline LLC*, 139 FERC ¶ 61,274.