

152 FERC ¶ 61,186
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

KPC Pipeline, LLC

Docket No. RP14-573-002

ORDER GRANTING CLARIFICATION

(Issued September 9, 2015)

1. On April 28, 2014, KPC Pipeline, LLC (KPC) filed a request for clarification of the March 28, 2014 order accepting subject to conditions KPC's revised tariff records updating its fuel reimbursement percentages.¹ For the reasons discussed below, the Commission grants the request for clarification.

I. Background

2. On February 28, 2014, KPC filed proposed tariff records to update the Fuel Reimbursement Percentages set forth in the tariff and to correct certain contact information. In the March 2014 Order, the Commission accepted the proposed tariff recordings subject to conditions, stating:

Section 23 of KPC's tariff allows for adjustments to the FRPs to reflect reductions or increases in fuel usage and lost and unaccounted for gas. KPC's tariff does not authorize incorporation of line pack or other non-fuel items into the fuel tracker. Therefore, KPC's inclusion of these volumes in its tracker is inappropriate. Based on the Commission's review, we accept KPC's filing subject to its removal of the line pack volumes listed in its Fuel Adjustment within 15 days of this order.²

¹ *KPC Pipeline, LLC*, 146 FERC ¶ 61,235 (2014) (March 2014 Order).

² *Id.* P 8. Separately from its requested clarification, KPC filed revised tariff records in order to comply with the Commission's March 2014 Order. The revised tariff records were accepted via Office of Energy Markets Division Director delegated letter order. *KPC Pipeline, LLC*, Docket No. RP14-573-001, *et al.*, (June 10, 2014) (delegated letter order).

II. Request for Clarification

3. KPC seeks clarification confirming that the above language from the March 2014 Order does not require KPC to treat operational purchases as system gains in lost and unaccounted for calculations. KPC explains that changes in line pack are tracked in order to calculate lost and unaccounted for volumes. Operational purchases increase line pack, and, KPC explains that absent an adjustment, the operational purchase would register as a system gain reducing lost and unaccounted for totals. Thus, KPC believes that its adjustments in the February 28, 2014 filing were necessary in order to accurately measure the lost and unaccounted for volumes.

4. KPC also seeks clarification of the Commission's statement that "KPC's tariff does not authorize incorporation of line pack or other non-fuel items into the fuel tracker."³ KPC states that its tariff allows for recovery of lost and unaccounted for gas, which KPC states is a non-fuel item. KPC also states that its tariff permits it to recover line pack to the extent reductions in line pack result from fuel usage and lost and unaccounted for gas.

III. Commission Determination

5. The Commission grants KPC's requested clarification. Specifically, the Commission clarifies that the March 2014 Order does not require KPC to treat operational purchases as system gains in its lost and unaccounted for calculations. By definition, lost and unaccounted for volumes are different from those volumes that can be accounted for due to operational purchases and sales. Thus, it is appropriate for KPC to ensure that operational purchases and sales are not included among the lost and unaccounted for volumes.

6. The Commission also clarifies that the March 2014 Order did not intend to preclude KPC from recovering reductions in line pack due to fuel usage and lost and unaccounted for gas. On the contrary, the March 2014 Order directly stated that KPC could recover fuel and lost and unaccounted for gas in a manner consistent with Section 23 of KPC's tariff.⁴ The Commission's statement that "KPC's tariff does not authorize incorporation of line pack or other non-fuel items into the fuel tracker" was

³ KPC Request for Clarification at 8 (citing March 2014 Order, 146 FERC ¶ 61,235 at P 8).

⁴ March 2014 Order, 146 FERC ¶ 61,235 at P 8 (stating "Section 23 of KPC's tariff allows for adjustments to the FRPs to reflect reductions or increases in fuel usage and lost and unaccounted for gas.").

merely a statement of the general rule that KPC may not recover operational purchases from shippers through its fuel adjustment.

The Commission orders:

The request for clarification is granted as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.