

153 FERC ¶ 61,288
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

December 11, 2015

In Reply Refer To:
TC Offshore LLC
Docket No. RP16-180-000

TC Offshore LLC
700 Louisiana Street
Suite 700
Houston, TX 77002-2700

Attention: John A. Roscher, Director
Rates, Tariffs, and Certificates

Dear Mr. Roscher:

1. On November 12, 2015, TC Offshore LLC (TC Offshore) filed revised tariff records,¹ pursuant to section 4 of the Natural Gas Act and Part 154 of the Commission's regulations, proposing to modify the Transporter's Use mechanism, as set forth in section 6.29 of the General Terms and Conditions (GT&C) of its tariff, to give TC Offshore the ability to return fuel and lost and unaccounted for fuel (LAUF) gains that may occur on its system. TC Offshore also requested limited waiver of section 6.29 of the GT&C of its tariff, in order to permit it to make lump sum distributions to its shippers of the proceeds generated from the sale of 450,000 dth of LAUF gains. As discussed below, for good cause shown, the Commission grants the limited waiver of section 6.29 and accepts the revised tariff records to be effective December 12, 2015, as proposed.

¹ TC Offshore LLC, FERC NGA Gas Tariff, TC Offshore Tariffs, [5.1 - Rate Schedules, Rate Schedule FTS-1, 1.0.0](#); [5.2 - Rate Schedules, Rate Schedule ITS, 1.0.0](#); [6.1 - GT&C, Definitions, 1.0.0](#); [6.29 - GT&C, Transporter's Use, 1.0.0](#).

2. TC Offshore states that its current tariff provides that gas required for compressor fuel and other fuel use and LAUF will be recovered from shippers through application of a positive transporter's use percentage.² TC Offshore further states that, pursuant to section 6.29(a) of the GT&C of its tariff, shippers are required to furnish gas for the transporter's use. TC Offshore notes, however, that, the tariff does not allow for a negative transporter's percentage that would allow TC Offshore to return any overcollections of fuel use and LAUF to shippers.

3. TC Offshore states that fuel use has remained minimal since the inception of its operations because there is no compression on its system. TC Offshore states that LAUF has been accumulating on a monthly basis so that it has to date accumulated a positive system-wide LAUF balance. TC Offshore further states that it is unable to effectively remedy the situation because its tariff does not address the potential for LAUF gains on its system, nor does it provide a method for TC Offshore to return such gains to its shippers by use of a negative Transporter's Use percentage. Consequently, TC Offshore seeks to revise its tariff to reflect as part of its in-kind Transporter's Use mechanism, the ability to return fuel and LAUF gains that may occur on its system. Specifically, TC Offshore proposes to expand the definition of Transporter's Use to be inclusive of gains as well as losses, and additionally to clarify that the resulting in-kind Transporter's Use may be a positive percentage, as currently provided, or a negative percentage, reflecting either overcollections of fuel or LAUF.

4. TC Offshore states that it is also proposing to revise its in-kind Transporter's Use mechanism to reflect that, in the event of a positive Transporter's Use percentage, gas tendered by shippers at the receipt point will be greater than that delivered to shippers at the delivery point. TC Offshore proposes that, in the event of a negative Transporter's Use percentage, gas tendered by shipper at the receipt point will be less than that delivered to shipper at the delivery point. TC Offshore states that its proposal will prospectively provide TC Offshore greater flexibility to effectively manage operational changes on its system created by overcollections of either fuel use or LAUF.

5. TC Offshore also requests a limited waiver of its Transporter's Use mechanism in order to allow it to make lump sum distributions to its shippers of the proceeds generated from the sale of 450,000 dth of LAUF gains. TC Offshore notes that it is currently making sales of 15,000 dth per day throughout the month of November (450,000 dth in total) in accordance with the operational purchases and sales of gas provisions in section 6.30 of the GT&C of its tariff. TC Offshore states that these sales of gas were necessary to provide operational relief on its system. TC Offshore further states that the proceeds from the sales

² TC Offshore notes that section 6.1.64 of the GT&C of its tariff provides that the Transporter's Use means the quantity of gas required by the transporter for (1) compressor fuel and other use gas and (2) lost and unaccounted for gas for service under each agreement and shall be equal to the Transporter's Use (%) under each such agreement times the receipt point quantities tendered to the transporter. *See* TC Offshore Transmittal at 2 & note 3.

of this gas will be allocated on the basis of each shipper's actual transportation throughput through the most recent billing month for calendar year 2015, as compared to total transportation throughput for that same time period. TC Offshore states that the lump sum distributions will be made within 45 days of the first day of the month following the Commission's acceptance of the limited waiver and will be included as part of TC Offshore's transportation service invoices. TC Offshore states that granting this limited waiver is beneficial to both TC Offshore and its shippers. TC Offshore states that the limited waiver it requests is similar to the waiver granted by the Commission in a Northwest Pipeline proceeding.³

6. Public notice of the instant filing was issued on November 16, 2015. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.⁴ Pursuant to Rule 214,⁵ all timely filed motions to intervene and any unopposed motion 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 the proceeding or place additional burdens on existing parties. No protests or adverse comments were filed.

7. The Commission accepts the revised tariff records to be effective December 12, 2015, as proposed. We find that TC Offshore's revised tariff will prospectively provide it with greater flexibility to effectively manage operational changes on its system created by the overcollections of either fuel use and/or LAUF. We also find good cause to grant TC Offshore's request for a limited waiver to permit TC Offshore to make a lump sum distribution to its shippers of the gains from the LAUF sales. Granting this limited waiver will immediately place the proceeds of the LAUF sales into the hands of those shippers that transported gas on TC Offshore's system in 2015. This will also limit TC Offshore's financial risk for any pricing differentials that may occur from the time that the gas was sold to the time that TC Offshore would have to repurchase gas in order to return it to its shippers in-kind via its Transporter's Use mechanism.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

³ TC Offshore Transmittal at 5 (citing *Northwest Pipeline GP*, 126 FERC ¶ 61,309 (2009)).

⁴ 18 C.F.R. § 154.210 (2015).

⁵ 18 C.F.R. § 385.214 (2015).