

154 FERC ¶ 61,253  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

March 30, 2016

In Reply Refer To:  
Colorado Interstate Gas  
Company, L.L.C.  
Docket No. RP16-701-000

Colorado Interstate Gas Company, L.L.C.  
P.O. Box 1087  
Colorado Springs, CO 80944

Attention: M. Catherine Rezendes  
Director, Rates

Reference: Quarterly Fuel and LUF True-up Filing and Request for Waiver

Dear Ms. Rezendes:

1. On March 1, 2016, Colorado Interstate Gas Company, L.L.C. (CIG) filed tariff records<sup>1</sup> to revise its fuel reimbursement percentages for the period beginning April 1, 2016, to reflect the new quarterly Lost, Unaccounted-For and Other Fuel Gas (LUF) reimbursement percentage (based upon quantities from October 1, 2015 through December 31, 2015) and the semi-annual Transportation Fuel Gas reimbursement percentage (based upon quantities from July 1, 2015 through December 31, 2015), in accordance with Section 13 of CIG's General Terms and Conditions (GT&C). As discussed below, the referenced tariff records are accepted effective April 1, 2016.

2. On November 24, 2015, in its last quarterly filing,<sup>2</sup> CIG filed to increase its total LUF retention percentage for the three-month period from January 1, 2016 through March 31, 2016. As discussed in that filing, a third-party measurement inaccuracy

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<sup>1</sup> Colorado Interstate Gas Company, L.L.C., FERC NGA Gas Tariff, CIG Tariffs, [Part II: Stmt. of Rates, Section 2 - Fuel and L&U Rates, 25.0.0](#), and [Part IV: GT&C, Section 13 - Fuel and L&U, 10.0.0](#).

<sup>2</sup> *Colorado Interstate Gas Co., L.L.C.*, 153 FERC ¶ 61,358 (2015).

identified in early September (“September 2015 measurement error”) caused LUF to be understated. CIG states that subsequent to its last filing, it corrected the measurement at the meter causing the error. The corrected measured LUF was 739,800 Dth higher than previously reported over the six-month period.

3. In the instant filing, in order to calculate its LUF volumetric true-up portion of the reimbursement percentage, CIG is proposing to combine the 739,800 Dth of under-collection due to the prior period entry associated with the September 2015 measurement error with the net under-collected quarterly throughput of 750,000 Dth for the three months of October 2015 through December 2015. However, CIG asserts that the LUF experienced during the three-month period ending December 31, 2015 greatly exceeded the amount retained.<sup>3</sup> CIG explains that this increase was caused by a separate third-party measurement error (unrelated to the September 2015 measurement error discussed above) (“December measurement error”) and CIG is currently investigating the possible causes.<sup>4</sup> Consequently, to ensure that shippers will not be overly burdened by the December measurement error during the April 2016 through June 2016 period while the investigation is ongoing, CIG believes it is reasonable to decrease the total amount of the currently under-collected LUF quantities to be included in the reimbursement percentage.

4. CIG is requesting waiver of its tariff to mitigate the impact the size of the prior period adjustment and the December third-party measurement error will have on its shippers. Specifically, CIG requests waiver of Section 13.5, which requires CIG to base its fuel reimbursement true-up mechanism on the sum of (1) actual gas used and (2) the amount of any under or over recovered fuel gas (positive or negative) which is accumulated for the twelve-months reported in each fuel filing. CIG is required to carry forward any over- or under-recovery of fuel to the next period. Instead, CIG proposes to calculate the total LUF reimbursement percentage using the current period from April 2016 through June 2016 and one-quarter of the true-up volumes from prior periods.<sup>5</sup> CIG also proposes that the remaining under-collection from prior periods or LUF as a result of the adjusted quantities used to set the retention percentages will be deferred to future filings for collection.

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<sup>3</sup> CIG states the amount experienced during the time period exceeded the expected LUF after the September correction by 84 percent.

<sup>4</sup> CIG is currently investigating the possible causes, but believes it is reasonable to decrease the total amount of the currently under-collected LUF quantities to be included in the percentage by 400,000 Dth.

<sup>5</sup> CIG is deferring 765,259 Dth of LUF under-collection and only proposing to collect 255,086 during this period.

5. CIG's proposed total LUF reimbursement percentage, including the current period from April 2016 through June 2016 and one-quarter of the true-up volumes from prior periods is proposed to be 0.39 percent.

6. In addition, CIG states that the gas supply and demand conditions have shifted and have required it to evaluate the directional flow and displacement activity on its system. Due to the reduction in west-to-east transportation transactions that can be used to support east-to-west displacement activity, CIG is proposing to remove two previously classified long-term fuel-exempt routes from its tariff (Section 13.3(c)) and one shorter-term fuel-exempt route from its electronic bulletin board (EBB). The removal of these routes is included in the computation of the Transportation Fuel Gas reimbursement percentage. CIG's proposed total Transportation Fuel Gas reimbursement percentage for the six-month period beginning April 1, 2016 is 0.49 percent.

7. Public notice was issued on March 2, 2016. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2015)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2015)), 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.

8. The Commission finds good cause to grant CIG's unopposed request for waiver of Section 13 of the GT&C of CIG's FERC Gas Tariff in order to moderate the impact of the subject LUF adjustment and volumetric true-up, and therefore accepts the tariff records referenced in footnote no. 1, effective April 1, 2016.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.