

154 FERC ¶ 61,267
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

March 30, 2016

In Reply Refer To:
Black Hills Shoshone
Pipeline, LLC
Docket No. RP16-668-000

Black Hills Shoshone Pipeline, LLC
625 Ninth Street
Rapid City, SD 57701

Attention: Jayne Riske
Director of Corporate Compliance

Dear Ms. Riske:

1. On March 1, 2016, Black Hills Shoshone Pipeline, LLC (Black Hills) submitted its annual Lost and Unaccounted For (LAUF) filing pursuant to Part 154 of the Commission's regulations¹ and in accordance with section 7.2.25, Definitions, of the General Terms and Conditions (GT&C) of Black Hills's FERC Gas Tariff regarding its tracking mechanism for LAUF. Black Hills requests waiver of section 7.2.25 of its GT&C to retain its currently effective LAUF percentage of 1.06 percent for the period beginning April 1, 2016. As discussed below, for good cause shown, the Commission grants waiver of section 7.2.25 of Black Hills' GT&C and accepts the use of Black Hills' currently effective LAUF percentage for the next annual period commencing April 1, 2016.

2. Black Hills states that its tracking mechanism for LAUF is based on actual system losses and throughput for the previous calendar year. Black Hills submits two schedules showing the actual LAUF for the period of January 2015 through December 2015. Attachment A presents that actual annual LAUF for 2015 was a loss of 6,121 dekatherms (Dth). Attachment B shows that using the annual loss of 6,121 Dth results in a LAUF percentage of 6.05 percent. Black Hills explains that the majority of the annual loss is attributable to January 2015. Specifically, the loss in January 2015 was 5,785 Dth or over 94 percent of the annual loss of calendar year 2015. Black Hills states that the

¹ 18 C.F.R. Part 154 (2015).

January 2015 loss level is for a period in which it was being operated by another entity.² Black Hills contends that the January 2015 loss is thus not representative of the small LAUF gains and losses experienced under Black Hills' ownership since July 2015.

3. Based on the data shown in Attachments A and B, and the fact that the majority of the annual loss is attributable to January 2015 when the pipeline was operated by another entity, Black Hills proposes to continue the use of the currently effective LAUF percentage of 1.06 percent until its next annual LAUF filing. Black Hills explains that at that time it will have owned and operated the system for the full annual period used to establish the LAUF percentage.

4. Public notice of the filing was issued on March 2, 2016. Interventions and protests were due on or before March 14, 2016, as provided in section 154.210 of the Commission's regulations.³ Pursuant to Rule 214,⁴ all timely motions to intervene and any unopposed motions to intervene out-of-time filed before the issuance date of this order are granted. Granting late interventions at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. No adverse comments or protests were filed.

5. Based on the information indicated in Attachments A and B, as well as the fact that, according to Black Hills, the majority of the annual loss is attributable to January 2015 when the pipeline was operated by another entity, the Commission finds that good cause exists to grant waiver of section 7.2.25 of Black Hills' tariff. Accordingly, the Commission accepts Black Hills' report in lieu of a tariff filing and grants waiver of section 7.2.25 of Black Hills' GT&C to allow the currently effective LAUF percentage to remain in effect for the annual period beginning April 1, 2016, as requested.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

² Black Hills states that on July 1, 2015 it acquired the assets of Energy West Development Inc. which operated the Shoshone Pipeline during January 2015. *Black Hills Shoshone Pipeline, LLC*, 151 FERC ¶ 61,130 (authorizing Black Hills to own and operate the pipeline facilities) (2015).

³ 18 C.F.R. § 154.210 (2015).

⁴ *Id.* § 385.214.