

155 FERC ¶ 61,314
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

June 27, 2016

In Reply Refer To:
Kinder Morgan Louisiana Pipeline LLC
Docket No. RP16-998-000

Kevin L. Palmer, Manager - Regulatory
Kinder Morgan Louisiana Pipeline LLC
3250 Lacey Road
Suite 700
Downers Grove, IL 60515-7918

Dear Mr. Palmer:

1. On May 31, 2016, Kinder Morgan Louisiana Pipeline LLC (Kinder Morgan) filed a revised tariff record¹ to implement a periodic fuel rate adjustment that modifies its reimbursement percentages for line heater gas and unaccounted for gas(UAF)² in accordance with section 36 of the General Terms and Conditions (GT&C) of its tariff. Kinder Morgan 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 instead of a negative rate that would result under its existing tariff mechanism.³ Kinder Morgan also requests that the revised tariff record be made effective July 1, 2016. As

¹ Kinder Morgan Louisiana Pipeline LLC, FERC NGA Gas Tariff, First Revised Volume No. 1, [Sheet No. 261, General Terms and Conditions - Sections 36, 36.1 and 36.2, 2.0.0.](#)

² Kinder Morgan states 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 Kinder Morgan similar waivers of sections 36.4 and 36.5 of the GT&C of its tariff to implement a UAF reimbursement percentage of zero in 2012, 2013, 2014, and 2015. See *Kinder Morgan Louisiana Pipeline LLC*, 151 FERC ¶ 61,268 (2015), *Kinder Morgan Louisiana Pipeline LLC*, 147 FERC ¶ 61,251 (2014), *Kinder Morgan Louisiana Pipeline LLC*, 143 FERC ¶ 61,277 (2013) and *Kinder Morgan Louisiana Pipeline LLC*, 139 FERC ¶ 61,274 (2012).

discussed below, and for good cause shown, the Commission grants the requested waiver and accepts the proposed tariff record, effective July 1, 2016, as requested.

2. Kinder Morgan states that, as required by section 36 of the GT&C of its tariff,⁴ the instant filing establishes the reimbursement percentages for line heater gas and UAF for its entire system, to be in effect from July 1, 2016 through June 30, 2017 (Recovery Period). According to Kinder Morgan, the subject reimbursement percentages are comprised of the sum of a current component, which is designed to recover line heater gas or UAF anticipated to occur over the Recovery Period, and a deferred component, which is calculated by Kinder Morgan to reconcile over or under collected costs for line heater or UAF gas that occurred during the 12-month period ending April 30, 2016 (Base Period).

3. Kinder Morgan 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. Kinder Morgan states it is not refiling Sixth Revised Sheet No. 6 of its tariff since the currently effective tariff sheet already reflects a 0.00 percent UAF reimbursement percentage.⁵ During the Recovery Period, Kinder Morgan states it would not charge shippers for line heater or UAF gas. Kinder Morgan asserts that imposing a negative UAF or line heater gas reimbursement percentage could result in Kinder Morgan having to deliver more gas than it receives and could place Kinder Morgan in the position of having to purchase operational gas. Kinder Morgan states the Commission has previously granted waiver to allow Kinder Morgan to utilize the zero UAF Gas reimbursement percentage,⁶ and its current waiver request is consistent with Commission precedent.⁷ In addition, Kinder Morgan states the 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.

⁴ Kinder Morgan states, while developing this filing, it discovered there is an incorrect sheet number reference on current Sheet No. 261 (which is within the tracker provision in section 36 of the GT&C of its tariff). In the instant filing, Kinder Morgan proposes to correct this by changing the incorrect reference from Sheet No. 8 to Sheet No. 6.

⁵ Kinder Morgan Transmittal at 3, note 2.

⁶ *Id.* at 5 (citing *Kinder Morgan*, 151 FERC ¶ 61,268).

⁷ *Id.* (citing *Rockies Express Pipeline, LLC*, 154 FERC ¶ 61,240 (2016), *High Island Offshore System, L.L.C.*, 151 FERC ¶ 61,085 (2015) and *ETC Tiger Pipeline LLC*, 151 FERC ¶ 61,181 (2015)).

4. Public notice of the instant filing was issued on June 1, 2016. Interventions and protests were due June 13, 2016, as provided by section 154.210 of the Commission's regulations.⁸ Pursuant to Rule 214,⁹ 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.

5. The Commission finds that Kinder Morgan 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 as long as the over-recovered amount is eventually returned to the shippers.¹⁰ In this case, Kinder Morgan's deferred component true-up mechanism will carry this balance over to the next adjustment period and, thus, ensures that neither Kinder Morgan nor its shippers are unduly disadvantaged. Further, granting the waiver will assist Kinder Morgan in mitigating potential operational issues. Therefore, for good cause shown, the Commission grants Kinder Morgan's request for waiver of sections 36.4 and 36.5 of its GT&C of its tariff and accepts the proposed revised tariff record to be effective July 1, 2016, as requested.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

⁸ 18 C.F.R. § 154.210 (2015).

⁹ 18 C.F.R. § 385.214 (2015).

¹⁰ See *Columbia Gulf Transmission Co.*, 132 FERC ¶ 61,134, at P 43 (2010); see also *Kinder Morgan Louisiana Pipeline LLC*, 139 FERC ¶ 61,274.