

156 FERC ¶ 61,143
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

August 30, 2016

In Reply Refer To:
Millennium Pipeline Company,
LLC
Docket No. RP16-1117-000

Millennium Pipeline Company, LLC
One Blue Hill, 7th Floor
P.O. Box 15665
Pearl River, NY 19065

Attention: John V. Keith, Vice President
Finance and Controller

Dear Mr. Keith:

1. On July 28, 2016, Millennium Pipeline Company, LLC (Millennium) filed a revised tariff record¹ pursuant to section 32.2 of the General Terms and Conditions (GT&C) of its FERC gas tariff to propose an out-of-cycle adjustment to its retainage adjustment mechanism (RAM). Millennium also requested waiver of section 32.4 of the GT&C of its tariff to charge a retainage percentage of 0.00 percent, rather than the percentage calculated pursuant to its tariff provisions. For good cause shown, the Commission grants the requested waiver and accepts the referenced tariff record to be effective September 1, 2016, as proposed.

2. Millennium's tariff allows it to retain a certain percentage of fuel from its shippers for the amounts it uses to operate its system (fuel) and for lost and unaccounted for gas (LAUF), and sets forth the mechanism for calculating and filing to implement those retainage percentages.² Pursuant to the tariff, the fuel and LAUF percentage applied each

¹ Millennium Pipeline Company, LLC, FERC NGA Gas Tariff, Millennium Tariffs, [Currently Effective Rates, Section 7. Retainage Rates, 9.0.0.](#)

² GT&C section 1.36 of Millennium's tariff defines retainage as "the quantity of gas, expressed as a percentage of receipt quantities, Shipper must provide Transporter (in addition to quantities Transporter will deliver to Shipper) for company-use, lost and unaccounted-for quantities under any of Transporter's Rate Schedules that refer to such
(continued ...)

year are based on estimates made for the coming year, as adjusted for any under-retainage or over-retainage in the prior calendar year. The tariff requires Millennium to make filings to adjust the RAM on an annual basis or “at such other times as Transporter in its reasonable discretion determines necessary based on operating or other conditions.”³

3. According to Millennium, it is currently experiencing unanticipated temporary operational conditions that have caused an over collection of retainage gas on Millennium’s system. Millennium states that construction work by Algonquin Gas Transmission, LLC (Algonquin) on the Algonquin Incremental Market (AIM) project has caused an overall decrease in flows on Millennium’s system, and a related decrease in overall compressor fuel usage. According to Millennium, this decrease in compressor fuel use has resulted in an over collection of retainage gas on the Millennium system. Millennium asserts that, absent an immediate adjustment to its existing RAM, the fuel over-collection amount will continue to grow until Algonquin is able to return to normal system operations.

4. Accordingly, Millennium seeks a waiver of section 32.4 of the GT&C of its tariff to allow it to temporarily charge a 0.00 fuel retainage percentage instead of using the percentage calculated pursuant its tariff provisions. Millennium asserts that granting the waiver will allow it to more rapidly address the temporary, significant and unanticipated over-collection of fuel gas, and permit Millennium to remove the over-collected fuel from its system and return it to its customers before its next annual RAM filing. Millennium states such waiver will be for a limited duration as it intends to make a subsequent out-of-cycle RAM filing once the temporary operating conditions subside and it has returned the over-collected fuel to its shippers.

5. Public notice of Millennium’s filing was issued on August 2, 2016, with interventions and protests due on or before August 9, 2016. Pursuant to Rule 214,⁴ 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

term.” GT&C section 32.2 states that Millennium shall “adjust the Retainage percentages, to take into account both prospective changes in Retainage requirements and unrecovered Retainage quantities from the preceding period as described at [GT&C] [s]ection 32.4 . . . for transportation.” See Millennium’s tariff, GT&C section 32.

³ Millennium’s tariff, GT&C section 32.2. The tariff requires Millennium to make its “annual” filings on or before March 1, to be effective each April 1.

⁴ 18 C.F.R. § 385.214 (2015).

stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. No protests or adverse comments were filed.

6. The Commission accepts Millennium's proposed tariff record to be effective September 1, 2016, as requested. As Millennium shows, it is experiencing an unanticipated and significant over-collection of fuel due to operating conditions, and the over-collection will continue absent an interim adjustment to the effective retainage rate. We also find good cause to grant Millennium's requested tariff waiver to allow it to charge a 0.00 percent retainage rate as a means of addressing the current operational conditions, and limiting further over-collections of fuel. The Commission has previously found that holding overall retention percentages at zero, rather than allowing such retention percentages to become negative, is reasonable so long as the entire over-recovered amount is eventually returned to the shippers.⁵

7. Normally, to ensure that neither Millennium nor its shippers are disadvantaged, the Commission would require that Millennium's deferred component true-up mechanism carry this over-collected balance to the next periodic rate adjustment filing. However, in this case, Millennium states it will return the over-collected fuel to customers and remove the over-collected gas from its system before the next periodic rate adjustment filing. Further, Millennium intends to make a subsequent out-of-cycle filing once the temporary change in its operating conditions subsides and it has returned the over-collected fuel to its shippers.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

⁵ See *Columbia Gulf Transmission Co.*, 132 FERC ¶ 61,134, at P 43 (2010); *ETC Tiger Pipeline, LLC*, 153 FERC ¶ 61,252 (2015) (Commission grants waiver for ETC Tiger to use a 0.00 percent rate for its Reimbursement Percentage for fuel gas for West Receipts for Base shippers).