

157 FERC ¶ 61,071  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

October 31, 2016

In Reply Refer To:  
Viking Gas Transmission  
Company  
Docket No. RP16-1296-000

Viking Gas Transmission Company  
c/o ONEOK Partners GP, L.L.C.  
100 West 5th Street  
Tulsa, OK 74103

Attention: Ron M. Mucci  
Vice President, Rates and Regulatory Affairs

Dear Mr. Mucci:

1. On September 30, 2016, Viking Gas Transmission Company (Viking) filed a revised tariff record,<sup>1</sup> pursuant to section 154.403 of the Commission's regulations,<sup>2</sup> containing its semi-annual adjustment to its Fuel and Loss Retention Percentages (FLRP). Viking submits the revised tariff record to reflect its semi-annual adjustment to its FLRPs in accordance with section 26 of the General Terms and Conditions (GT&C) of its FERC Gas Tariff. As discussed below, the Commission accepts Viking's FLRP rate and the revised tariff record, effective November 1, 2016. Also, the Commission grants waiver of section 26.2.4 of Viking's tariff to allow Viking and its shippers to benefit from a negative rate for lost and unaccounted-for-gas (L&U) by utilizing the L&U credit in setting its FLRP rate, while keeping the L&U rate at zero to maintain administrative simplicity for shippers making nominations across its system.

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<sup>1</sup> Viking Gas Transmission Company, FERC NGA Gas Tariff, Viking - FERC Gas Tariff, [Part 5.0, Statement of Rates, 24.0.0](#).

<sup>2</sup> 18 C.F.R. § 154.403 (2016).

2. Viking states that the purpose for this filing is to revise its FLRPs for Rate Schedules FT-A, IT, and AOT.<sup>3</sup> Viking proposes a rate of 1.49 percent in Zone 1-1, 1.61 percent in Zone 1-2, and 0.12 percent for Zone 2-2. Viking states that the proposed FLRPs are inclusive of the following L&U percentages: zero percent in Zone 1-1, zero percent for Zone 1-2, and zero percent for Zone 2-2. According to Viking, section 26.2.4 of Viking's tariff details the calculation utilized to derive the FLRPs. Viking states that the unadjusted tariff calculation of the L&U rates in accordance with section 26.2.4 results in negative (credit) L&U percentages across the three zones, as shown in Schedule 1 of its workpapers.<sup>4</sup> It further explains that application of a credit L&U rate in Viking's customer activity systems is not currently supported and could create difficulties for Viking's shippers in making nominations across its system and to interconnecting points. To avoid both of these concerns and to keep the L&U rate administratively manageable, Viking proposes a zero percent L&U rate.<sup>5</sup>

3. In order to set the L&U percentage at zero, Viking requests a temporary and limited waiver of section 26.2.4 of its tariff. Viking proposes to lower its shippers' overall FLRP rate by the credit that would otherwise have been given by the negative L&U rate.<sup>6</sup> Viking will thus be netting the Fuel rate and the L&U rate for each zone.<sup>7</sup> Viking asserts that waiver of section 26.2.4 allows Viking to provide to its shippers the benefit of a negative L&U rate in setting its FLRP rates while avoiding the administrative burden for both itself and its shippers of applying a negative L&U rate. Viking explains that the lowered FLRP rate in effect returns to shippers the unaccounted-for volumetric gain by offsetting the fuel that would otherwise be collected through the winter season's FLRPs.<sup>8</sup>

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<sup>3</sup> Transmittal at 1.

<sup>4</sup> *Id.* at 2.

<sup>5</sup> *Id.* In response to the Commission's direction in Docket No. RP16-705-000, Viking states that it investigated the source of unexpected L&U gains with its interconnecting pipelines by conducting a field visit and an onsite review of measurement facilities. Viking reports that its investigation resulted in a third party making operational changes and modifying flows through its metering facilities. Viking states that it has experienced a marked decline in L&U gains in the months following the measurement review and operational changes.

<sup>6</sup> *Id.*

<sup>7</sup> Transmittal at 2-3 (citing *see* App. A, Schedule 1, footnote 4).

<sup>8</sup> *Id.* at 3.

4. Viking points out that granting the requested waiver is consistent with Commission precedent for permitting L&U rates to be maintained at zero, rather than allowing the L&U rate to go negative, as long as the over-recovered amount is eventually returned to the shippers.<sup>9</sup> In addition, Viking anticipates that using the lower FLRP rate will aid in maintaining as neutral a position as possible regarding its deferred Gas Required for Operations (GRO) account balance as it goes through the winter season.

5. Viking notes that it has a current balance in its deferred GRO account.<sup>10</sup> Viking explains that its deferred GRO account balance has moved from an over-recovery position to an under-recovery position which, according to Viking, necessitates the increase as proposed rates in the instant filing from its currently effective zero percent FLRP rates. Viking contends that increased compressor utilization and associated fuel use on Viking's system from higher throughput due to significantly increased market demands during the summer season, have contributed to the cumulative under-recovery position.

6. Public notice of the filing was issued on October 3, 2016. Interventions and protests were due on or before October 12, 2016, as provided in section 154.210 of the Commission's regulations.<sup>11</sup> Pursuant to Rule 214,<sup>12</sup> 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 protests or adverse comments were filed.

7. The Commission accepts Viking's proposed tariff record to effectuate the proposed adjustment to its FLRP. The Commission finds that Viking has shown good cause to grant the temporary and limited waiver request. In this case, granting Viking's limited waiver will allow Viking to provide shippers the benefit of a negative L&U rate in setting its FLRP rate, and effectively return to shippers the volumetric gain by offsetting the fuel that would otherwise be collected during the upcoming winter season. Therefore, the Commission grants Viking's request for waiver of section 26.2.4 of its

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<sup>9</sup> *Id.* at 3 & n.2 (citing *see Columbia Gulf Transmission Co.*, 132 FERC ¶ 61,134, at P 43 (2010); *Midcontinent Express Pipeline LLC*, 153 FERC ¶ 61,251, at P 8 (2015); *ETC Tiger Pipeline, LLC*, 151 FERC ¶ 61,181, at P 8 (2015)).

<sup>10</sup> Transmittal at 2.

<sup>11</sup> 18 C.F.R. § 154.210 (2016).

<sup>12</sup> *Id.* § 385.214.

GT&C and accepts the proposed tariff record referenced in footnote 1, effective November 1, 2016.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.