

157 FERC ¶ 61,163
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;
Cheryl A. LaFleur, and Colette D. Honorable.

Rockies Express Pipeline LLC

Docket No. RP17-156-000

ORDER ON COMPLIANCE FILING

(Issued November 30, 2016)

1. On November 1, 2016, Rockies Express Pipeline LLC (Rockies Express) filed tariff records¹ setting forth its fuel and electric power charges for its Zone 3 Capacity Enhancement Project or East-to-West Expansion Project (Project) in compliance with the Commission's February 25, 2016 order in Docket No. CP15-137-000.² In addition, pursuant to section 4 of the Natural Gas Act (NGA),³ Rockies Express filed tariff records to amend section 40 of the General Terms and Conditions (GT&C) of its tariff.⁴ Rockies Express requests that the tariff records be accepted effective December 1, 2016. As discussed below, the Commission accepts the tariff records referenced in footnote 1 establishing the incremental fuel and electric power charges, effective December 1, 2016 or the actual in-service date for the Project facilities. However, the Commission rejects the tariff records referenced in footnote 4 containing the revisions to the GT&C section 40 Power Cost Tracker, as discussed below.

¹ Rockies Express Pipeline LLC, FERC NGA Gas Tariff, Tariffs, [CURRENTLY EFFECTIVE RATES, Currently Effective Rates - ITS/FTS/BHS FL&U, 11.5.0](#); [CURRENTLY EFFECTIVE RATES, Currently Effective Rates - ITS/FTS/BHS Power Cost Tracker, 4.5.0](#).

² *Rockies Express Pipeline LLC*, 154 FERC ¶ 61,139 (2016) (Certificate Order).

³ 15 U.S.C. § 717c (2012).

⁴ Rockies Express Pipeline LLC, FERC NGA Gas Tariff, Tariffs, [PRA Power Cost Tracker, Section 40 - PRA - Power Cost Tracker, 1.0.0](#).

Background

2. On March 31, 2015, Rockies Express filed an application under section 7(c) of the NGA for a certificate of public convenience and necessity authorizing construction and operation of natural gas compression and ancillary facilities in Fayette, Pickaway, Muskingum, and Warren Counties, Ohio and Decatur County, Indiana, to provide an additional 800,000 dekatherms per day (Dth/d) of east-to-west capacity under the Project. Specifically, Rockies Express requested authority to construct and operate three new compressor stations (Columbus, Washington Court House, and St. Paul); and add additional horsepower at the existing Chandlersville Compressor Station.⁵ In addition, Rockies Express noted that it would construct and operate gas cooling equipment at the three new compressor sites and at its existing Hamilton and Chandlersville Compressor Stations.⁶ In its certificate application, Rockies Express identified the cooling equipment as “ancillary facilities” as provided for in section 2.55(a) of the Commission’s regulations.⁷ Rockies Express proposed to provide transportation service using the additional capacity under existing Rate Schedule FTS and to use its currently-effective rates as its recourse rates. However, to ensure that existing shippers would not subsidize the cost of fuel associated with the Project, Rockies Express proposed to establish a separately-stated fuel rate to apply exclusively to the shippers utilizing the Project.⁸

3. On February 25, 2016, the Commission issued a certificate approving Rockies Express’s proposal. The Commission directed Rockies Express to file actual tariff records setting forth its fuel and electric power charges for the project not less than 30 days, and not more than 60 days, prior to placing the Project in service.⁹ The Commission also directed Rockies Express to keep separate books and accounting of costs attributable to the project under section 154.309 of the regulations to track costs in the case of changed circumstances.¹⁰

⁵ March 30, 2015 Certificate Application in Docket No. CP15-137-000 at 12-13.

⁶ *Id.* at 13.

⁷ 18 C.F.R. 2.55(a) (2016) (definition auxiliary facilities).

⁸ Certificate Application at 14 and Exhibit P at 1.

⁹ Certificate Order, 154 FERC ¶ 61,139, Ordering Paragraph E.

¹⁰ *Id.* P 25 (citing *Texas Eastern Transmission, LP*, 153 FERC ¶ 61,311, at P 36 (2015)).

Proposal

4. In compliance with the Certificate Order, Rockies Express proposes to establish separately stated fuel and electric power charges for the new firm capacity associated with the Project. The tariff records referenced in footnote 1 incorporate a 1.24 percent incremental fuel charge and \$0.0309 per Dth/d incremental Power Cost Tracker Reimbursement Charge.

5. Rockies Express also proposes to amend the Power Cost Tracker in GT&C section 40 to include the cost of electric power purchased for use in all compressor station operations. Rockies Express explains that as part of the Project, new electric powered gas cooling equipment was being added at all five compressor stations.¹¹ It further explains that gas coolers protect the pipeline from heat degradation – maintaining the integrity of the pipeline and extending the useful life of the pipeline asset. Rockies Express defends including the cooling costs in the Power Cost Tracker because the electric costs are variable as throughput changes because the costs are only incurred when the units are running, consistent with other electric costs in the Power Cost Tracker.¹²

Notice, Interventions and Responsive Pleadings

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

7. Antero Resources Corp. (Antero) submitted comments requesting the Commission clarify that Rockies Express may not impose electric costs from the Project on existing customers. Antero argues that Rockies Express' filing is ambiguous regarding the recovery of the gas cooling power costs. Antero notes that the proposed revisions to

¹¹ Filing at 3.

¹² *Id.* (citing *Transcontinental Gas Pipe Line Co., LLC*, 150 FERC ¶ 61,205, at P 21 (2015) which approved rolled in treatment under fuel and electric power cost adjustments for expansion project costs that reduced existing customers' fuel use).

GT&C section 40 are silent as to whether the costs would be recovered in the incremental tracker applicable to the Project or to the generally-applicable tracker. Antero argues that including costs associated with fuel or electric power for the Project in the general-applicable tracker would result in a subsidy of the Project by existing customers. Accordingly, Antero requests the Commission clarify that electric power costs associated with gas coolers constructed as part of the Project are paid by Project shippers and not by other shippers on Rockies Express.

8. BP Energy Co. filed a late intervention in support of Antero, stating “Rockies Express is aware of some of the issues with its proposed tariff language, but needs more information on how the Project will actually function in conjunction with the existing system to determine the proper methodology for allocating costs between the Project and the existing system, in order to ensure there is no subsidization of the Project.”

Discussion

9. The Commission accepts the tariff records establishing Rockies Express’ incremental fuel and electric power charges, identified in footnote 1, as being in satisfactory compliance with the Certificate Order. These tariff records are accepted, effective December 1, 2016 or the in-service date of the Project facilities. When Rockies Express notifies the Commission that the facilities are placed in service in compliance with § 157.20(c)(2) of the Commission’s regulations (18 C.F.R § 157.20(c)(2) (2016)), it should also make this informational filing with the Commission through the eTariff portal using a Type of Filing Code (TOFC) 620. In addition, Rockies Express is advised to include, as part of the eFiling description, a reference to Docket No. CP15-137-000, and the actual in-service date for Project facilities.¹³

10. The Commission rejects the tariff records modifying GT&C section 40, identified in footnote 4. Rockies Express identified the instant filing as a “compliance filing.”¹⁴ Section 154.203 (b) of the Commission’s regulations specifies, “Filings made to comply with Commission orders must include only those changes required to comply with the order. Such compliance filings may not be combined with other rate or tariff change filings.” The Commission finds that Rockies Express’ proposal to amend the Power Cost

¹³ *Electronic Tariff Filings*, 130 FERC ¶ 61,047, at P 17 (2010).

¹⁴ Rockies Express used a TOFC 580, which applies only to compliance filings. <http://www.ferc.gov/docs-filing/etariff/types-filing-rules-table.pdf>.

Tracker in GT&C section 40 is beyond the scope of the compliance filing required by the Certificate Order. Therefore the Commission rejects the tariff records without prejudice.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.