

157 FERC ¶ 61,160
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

November 30, 2016

In Reply Refer To:
Fayetteville Express
Pipeline LLC
Docket No. RP17-105-000

Blair V. Lichtenwalter, Sr. Director
Rates and Regulatory Affairs and
Kevin Erwin, Associate General Counsel
Fayetteville Express Pipeline LLC
1300 Main Street,
Houston, TX 77002

Dear Mr. Lichtenwalter and Mr. Erwin:

1. On October 31, 2016, Fayetteville Express Pipeline LLC (Fayetteville) filed a tariff record¹ pursuant to section 36 of the General Terms and Conditions (GT&C) of its tariff to reflect its semi-annual adjustment to its reimbursement percentages for fuel gas, lost and unaccounted for gas (LAUF), and booster compression fuel. Fayetteville proposes a fuel reimbursement percentage of 0.33 percent, which reflects an increase of 0.03 percent over its currently-effective rate of 0.30 percent; Fayetteville proposes to retain its currently-effective LAUF reimbursement percentage of zero. Fayetteville also requests waiver of section 36 of the GT&C of its tariff to avoid setting a negative reimbursement percentage.² For good cause shown, the Commission grants the requested waiver and accepts the subject tariff record to be effective December 1, 2016.

2. Fayetteville states that pursuant to its tariff it calculates the applicable reimbursement percentages by adding a current component and a deferred component applicable to each reimbursement percentage. According to Fayetteville, the proposed reimbursement percentages are based on actual data for the six-month period from March 1, 2016 through August 31, 2016 (current component), and adjusted for changes

¹ Fayetteville Express Pipeline LLC, FERC NGA Gas Tariff, FEP Tariff Database, [4., Fuel Reimbursement Percentages, 14.0.0.](#)

² Fayetteville states that it does not currently have any booster compression on its system, and therefore has not proposed any such reimbursement percentage in the instant filing.

reasonably anticipated to occur during the period from December 1, 2016 through May 31, 2017 (deferred component). Fayetteville states that the current component for LAUF is 0.03 percent. Fayetteville further states that as calculated in accordance with its tariff, the deferred component for LAUF is negative 0.12 percent. Fayetteville thus states that if it were to use this deferred component, the reimbursement percentage for LAUF would be negative. Fayetteville states that section 36 of the GT&C of its tariff is not structured to address a situation in which it would be required to charge any of its shippers a negative LAUF reimbursement percentage. Accordingly, Fayetteville requests a waiver of those provisions to permit it to use a deferred component of negative 0.03 percent resulting in a LAUF reimbursement percentage of zero. Fayetteville states that it will reflect any unamortized amounts in its next periodic rate adjustment filing.

3. Public notice of Fayetteville's filing was issued on November 1, 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, 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 (18 C.F.R. § 385.214 (2016)). Granting late intervention 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.

4. The Commission accepts the tariff record to effectuate Fayetteville's proposed adjusted fuel reimbursement percentage, effective December 1, 2016. In these circumstances where no shippers have protested, we find good cause to grant a waiver of Fayetteville's tariff to allow Fayetteville to use a deferred component of negative 0.03 and to charge an LAUF reimbursement percentage of zero, consistent with the similar waiver the Commission granted Fayetteville for its last semi-annual rate adjustment filing in Docket No. RP16-888-000.³ We note that in the future, however, Fayetteville must comply with the Commission's policy as set forth in our recent orders in *Gulf South Pipeline Co., LP*⁴ and *Dominion Carolina Gas Transmission, LLC*,⁵ finding that that pipelines may not apply this "never less than zero" convention for individual components of a fuel redetermination filing in situations where a positive component more than offsets the negative component, so that the overall retention percentage charged to shippers would be positive. Treating the negative component as zero in that circumstance

³ See *Fayetteville Express Pipeline LLC*, 155 FERC ¶ 61,207 (2016). See also *Columbia Gulf Transmission Co.*, 132 FERC ¶ 61,134, at P 43 (2010).

⁴ *Gulf South Pipeline Co., LP*, ¶ 61,115, order on reh'g, 155 FERC ¶ 61,132 (2016) (*Gulf South*).

⁵ *Dominion Carolina Gas Transmission, LLC*, 157 FERC ¶ 61,070 (2016) (*Dominion Carolina*).

would prevent a positive component from fully offsetting a negative component,⁶ which in turn would lead to a rate that is higher than the cost of service.⁷ Additionally, in order to ensure that neither Fayetteville nor its shippers are disadvantaged by the instant waiver, Fayetteville's deferred component true-up mechanism shall carry this balance to the next periodic rate adjustment filing.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

⁶ See *Sabine Pipe Line LLC*, 125 FERC ¶ 61,241, at P 7 (2008).

⁷ See *Gulf South*, 155 FERC ¶ 61,132 at P 6, *Dominion Carolina* at P 13.