

161 FERC ¶ 61,242
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

November 30, 2017

In Reply Refer To:
Wyoming Interstate Company, L.L.C.
Docket No. RP18-120-000

Wyoming Interstate Company, L.L.C.
Post Office Box 1087
Colorado Springs, CO 80944

Attention: Francisco Tarin
Director, Regulatory

Dear Mr. Tarin:

1. On October 31, 2017, Wyoming Interstate Company, L.L.C. (WIC) filed tariff records¹ to establish a firm daily balancing service (Rate Schedule FDBS) pursuant to Subpart C of Part 154 of the Commission's regulations.² WIC states that this service will provide a tool to manage imbalances and to mitigate penalties by affording interested shippers the ability to have WIC retain or deliver gas on its system at certain locations up to a specific quantity. WIC further states that the new firm balancing service will only be offered on the WIC Medicine Bow Lateral Pipelines. As discussed below, the Commission accepts the tariff records listed in the appendix effective December 1, 2017.

2. WIC states that it will utilize a portion of unsubscribed transportation capacity to provide the new firm daily balancing service, which will allow WIC to retain (bank) gas quantities on its system at a designated point up to the maximum balancing amount (MBA) specified on a shipper's FDBS agreement. The service will also include WIC's delivering (drawing) gas quantities at the designated point, and WIC states that the banking and drawing activity will be effectuated automatically only when variations between the daily scheduled quantity and the daily flowing gas quantity at the point exist.

¹ See Appendix.

² 18 C.F.R. § 154.202 (2017).

3. WIC states that shippers will have the opportunity to contract for FDBS service whenever there is sufficient available uncommitted capacity and WIC has the physical capability to provide the service. WIC further states that the delivery points that will be available to receive service under Rate Schedule FDBS will be identified on WIC's electronic bulletin board. WIC further states that given the nature of the service, namely its only being offered at certain points on the Medicine Bow Lateral, Rate Schedule FDBS will not utilize secondary points.

4. WIC proposes a two-part rate structure for Rate Schedule FDBS consisting of a reservation charge and a commodity charge. WIC states that, because each dekatherm (Dth) of Rate Schedule FDBS capacity will reduce the amount of firm capacity on the Medicine Bow Lateral by 1.33 Dth, WIC derived the reservation charge by multiplying the current firm transportation maximum reservation charge on the Medicine Bow Lateral of \$3.6369 per Dth per month by 1.33. WIC also proposes a minimum reservation charge of \$0.0000 per Dth and a commodity charge of \$0.0000 per Dth. WIC states that service under Rate Schedule FDBS may be assessed at a discounted or negotiated rate pursuant to section 4 of the rate schedule, sections 4.14 and 4.15 of the General Terms and Conditions (GT&C) of WIC's tariff, and the applicable provisions found in the Rate Schedule FDBS *pro forma* service agreement. Lastly, WIC states that fuel and lost and unaccounted for gas reimbursement percentages will not apply to service under Rate Schedule FDBS, as such percentages are already assessed for the transportation of gas quantities.

5. WIC states that in the event banked quantities exceed the shipper's MBA, or if quantities are drawn that exceed the Inventory Quantity, the excess quantities will be assessed as unauthorized overrun quantities. WIC states that the unauthorized overrun activity will be evaluated on a daily basis and the applicable rate for such activity is set at two times the underlying maximum daily reservation charge. WIC further states that it proposes to credit the revenues that are in excess of its costs associated with an unauthorized overrun event to all firm and interruptible shippers that did not incur unauthorized overrun charges in the month for which such revenues were received.

6. WIC states that, if shippers do not resolve overdrawn quantities by the end of the month following the month the activity occurred, such quantities will be sold to the shipper at 150 percent of the cash-out index price for the month in which the imbalance was created and excess banked quantities that are not withdrawn will become property of WIC. WIC states that it will credit the value of gas quantities surrendered to all firm and interruptible shippers as part of the penalty crediting mechanism found in section 14 of WIC's GT&C. WIC states that, consistent with its existing reservation charge crediting provisions, it proposes to apply the same Safe Harbor method for crediting on Rate Schedule FDBS.

7. Public notice of the filing was issued on November 1, 2017. Interventions and protests were due as provided in section 154.210 of the Commission's regulations, 18 C.F.R. § 154.210 (2017). Pursuant to Rule 214, 18 C.F.R. § 385.214, 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. Anadarko Energy Services Company and ConocoPhillips Company (jointly, Indicated Shippers) filed a motion to intervene and comments on November 13, 2017.

8. Indicated Shippers state that when a pipeline submits a new rate schedule for innovative services, and does not allocate costs to that new rate schedule, the Commission has conditioned its approval of the new rate schedule on the filing of an activity report after the first year of service.³ Indicated Shippers acknowledge that WIC has complied with this regulation by including both a rate computation for Rate Schedule FDBS and an estimate for the first twelve months of service, but Indicated Shippers argue that this does not provide the Commission and interested parties with the actual revenue or cost amounts WIC will receive or incur for this new service over the next year. Indicated Shippers argue that, given the disparity between WIC's projected recourse rate and its projected revenues, an activity report, submitted after twelve months of service, becomes more critical to understanding the actual costs and revenues that will be attributable to the new balancing service.

9. Indicated Shippers lastly note that as the result of a recent Commission-initiated proceeding under section 5 of the Natural Gas Act (NGA), a settlement was reached that requires WIC to submit an NGA section 4 rate case filing with rates effective no later than April 1, 2022. Indicated Shippers state that, given that (1) WIC did not propose to allocate any costs to the new service or reallocate costs away from existing Medicine Bow Lateral services and that (2) under the settlement WIC is required to submit new rates to be effective no later than April 1, 2022, requiring WIC to submit an activity report following one year of service will ensure that Rate Schedule FDBS costs and revenues are properly accounted for in a transparent and public filing.

³ Indicated Shippers at 3 (citing *Tallgrass Interstate Gas Transmission, LLC*, 161 FERC ¶ 61,092 (2017); *Gulf South Pipeline Co., LP*, 136 FERC ¶ 61,086 (2011); *CenterPoint Energy Gas Transmission Co.*, 125 FERC ¶ 61,334 (2008)).

10. We find that WIC's proposed Rate Schedule FDBS is consistent with Commission precedent and will not adversely impact the quality of, or rates for, any existing services provided by WIC. Upon consideration, the Commission finds that WIC's new FDBS service appears just and reasonable and will help WIC to utilize unsubscribed capacity on its Medicine Bow Lateral.

11. Section 154.202(a)(1)(viii) of the Commission's regulations⁴ requires that a pipeline seeking to initiate a new service must include workpapers showing the estimated effect on revenue and costs over a twelve-month period commencing on the effective date of the filing. In the orders cited by Indicated Shippers, the pipelines had requested a waiver of section 154.202(a)(1)(viii) and the twelve-month cost and revenue workpaper estimates because the pipelines were unable to forecast the revenues from their new services.⁵ In those instances the Commission approved the new services subject to those pipelines filing an activity report after the first year of service. Here, WIC provided workpapers in Appendix C of its filing documenting the estimated revenues and costs for the twelve-month period in accordance with section 154.202(a)(1)(viii) of the Commission's regulations, so the basis for the report after one year of service does not exist as it did in those cases where the pipelines sought waiver of the requirement at 18 C.F.R. § 154.202(a)(1)(viii). Issues involving cost allocations to the new Rate Schedule FDBS service will be addressed in WIC's upcoming NGA section 4 rate case filing, which WIC is required to make pursuant to the terms of its settlement.

12. Accordingly, we accept WIC's tariff records referenced in the Appendix, effective December 1, 2017, without further condition.

By direction of the Commission. Commissioner Glick is not participating.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁴ 18 C.F.R. § 154.202(a)(1)(viii) (2017).

⁵ See cases cited *supra* note 3.

Appendix

Wyoming Interstate Company, L.L.C.
FERC NGA Gas Tariff
WIC Tariff

Tariff records accepted effective December 1, 2017

[Part I: Overview, Section 1 - Table of Contents, 23.0.0](#)

[Part II: Stmt. of Rates, Section 1.1 - Firm Rates, 6.0.0](#)

[Part III: Rate Schedules, , 3.0.0](#)

[Part III: Rate Schedules, Section 5 - Rate Schedule FDBS, 0.0.0](#)

[Part IV: GT&C, Section 4 - Requests for Services, 6.0.0](#)

[Part IV: GT&C, Section 8 - Operating Provisions, 5.0.0](#)

[Part IV: GT&C, Section 11 - System Operational Parameters, 5.0.0](#)

[Part IV: GT&C, Section 12 - Billing and Payment, 5.0.0](#)

[Part IV: GT&C, Section 14 - Penalties, 2.0.0](#)

[Part IV: GT&C, Section 16 - Reservation Charge Credit, 4.0.0](#)

[Part V: Service Agreement, , 3.0.0](#)

[Part V: Service Agreement, Section 5 - Rate Schedule FDBS, 0.0.0](#)