In Reply Refer To:
Rover Pipeline LLC
Docket No. RP18-504-000

Rover Pipeline LLC
13 Main Street
Houston, TX  77002

Attention:  Lawrence J. Biediger
Sr. Director, Rates and Regulatory Affairs

Dear Mr. Biediger:

1. On March 1, 2018, Rover Pipeline LLC (Rover) filed revised tariff records\(^1\) pursuant to Section 21 (Fuel Reimbursement Adjustment) of the General Terms & Conditions (GT&C) of its tariff for the purpose of adjusting its fuel reimbursement percentages (fuel rates), effective April 1, 2018 (March 1 Filing). The Commission accepts the tariff records identified in footnote no. 1 effective April 1, 2018.

2. According to Rover, section 21 of its GT&C requires Rover to make limited section 4 filings under the Natural Gas Act (NGA), to be effective each April 1 and November 1, for the purpose of adjusting its current fuel rates. Rover states that the fuel rates are designed on a zone path basis, and reimburse Rover in-kind for fuel usage, including electric compression costs, and lost-and-unaccounted-for gas (LAUF). Rover’s fuel rates also include an annually computed surcharge for previously deferred over- or under-recoveries of fuel costs.

3. Rover states that on September 26, 2017, the Commission issued an order accepting Rover’s proposed interim reduced fuel rates effective August 31, 2017, the in-__

\(^1\) Rover Pipeline LLC, FERC NGA Gas Tariff, Original Volume No. 1, Rate Schedule FTS, Currently Effective Rates, 2.0.0, and Rate Schedule ITS, Currently Effective Rates, 2.0.0.
service date of Rover’s initially phased-in facilities (September 26 Order).\(^2\)  

Rover further states that the September 26 order approved Rover’s proposal to temporarily charge only a 0.20 percent LAUF component of its fuel rates because, in the early stages of its pipeline, Rover would be able to provide transportation service without the need for compression. Rover had stated that it would make a tariff filing to reinstate full fuel reimbursement rates to be effective when compression is implemented on its system. Rover states in the March 1 Filing that compression will be in service on Rover’s system on the requested effective date of the filing, April 1, 2018.

4. In the March 1 Filing, Rover proposes to adjust its fuel rates in order to recover both fuel usage and LAUF for the period April 1 to October 31, 2018 for transportation service provided in several zone paths on its system. Specifically, Rover seeks to implement zone path fuel rate increases as follows: Supply Zone to Market Zone South, from 0.20 percent to 0.56 percent; Supply Zone to Mainline Zone, from 0.20 percent to 0.56 percent; Supply Zone only, from 0.20 percent to 0.43 percent; Mainline Zone to Market Zone South, from 0.20 percent to 0.33 percent; and Mainline Zone only from 0.20 percent to 0.33 percent. Rover does not propose to revise its current Market Zone South only fuel rate of 0.00 percent.

5. Rover’s filing includes six appendices which set forth projected monthly fuel usage by compressors in its Supply Area and Mainline, and projected monthly gas flow on the in-service portions of its system during the period from April through October 2018.

6. Public notice of the filing was issued on March 1, 2018 allowing for protests to be filed as provided in section 154.210 of the Commission’s regulations (18 C.F.R. § 154.210 (2017)). On March 13, 2018, Antero Resources Corporation (Antero) filed a protest. On March 19, 2018, Rover filed an answer to the protest. Rule 213(a)(2) of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2017), prohibits an answer to a protest or to an answer unless otherwise ordered by the decisional authority. We will accept Rover’s answer because it provides information that assists in our decision-making process.

7. In its protest, Antero asserts that the March 1 Filing contains insufficient support to be considered just and reasonable. According to Antero, despite Rover’s statement that it has taken into account its customers’ projected utilizations and forecasted pipeline operations, Rover provides no explanation or support for its projections. Antero requests that the Commission reject the March 1 Filing or alternatively, suspend the tariff records for the full period allowed by law and establish a technical conference. Antero believes

\(^2\) *Rover Pipeline LLC*, 160 FERC ¶ 61,114 (2017).
the filing raises numerous technical and operational issues regarding the reasons for which Rover’s shippers are to pay increased fuel rates, warranting a technical conference.

8. In its answer, Rover notes that in the order certificating its facilities (Certificate Order),\(^3\) the Commission approved initial fuel rates that included a fuel usage component, and that such rates were subsequently temporarily reduced by the September 26 Order to the 0.20 percent level of projected LAUF because Rover did not initially require compression to perform transportation service. Rover states that the September 26 Order also noted Rover’s representation that it would make an additional tariff filing to restate the full fuel reimbursement percentages to be effective on the date when compression is implemented on the Rover system. Rover further states in its answer that due to the fact that compression now has been implemented on its system, it is filing in this proceeding to reinstate the full fuel reimbursement percentages consisting of fuel usage and LAUF components. However, Rover also points out that certain of the proposed fuel rates actually reflect a substantial decrease from the initial fuel rates that the Commission approved in the Certificate Order and in Rover’s subsequent tariff compliance filing.\(^4\)

9. Rover argues that, as required by GT&C section 21.3 and section 154.403 of the Commission’s regulations, it projected the quantity of gas to be received for the account of shippers and also projected the quantities of gas that will be required for fuel usage. Rover maintains that it has clearly set out in its work papers reasonable projections for both fuel usage and flow through for each month of the April to October period covered by the filing. Rover notes that Appendix C illustrates projected compressor fuel usage components for the projected levels of throughput. Rover states that such projections take into account “anticipated market conditions, historical information, shippers’ projected utilization and forecasted pipeline operations”.\(^5\) Rover maintains this information is consistent with the analysis and findings set out in Rover’s Exhibit P to its certificate application in Docket No. CP15-93-000, which the Commission approved. Rover points out that certain of the resulting fuel reimbursement percentages in this proceeding are substantially lower than the percentages approved by the Commission in the certificate order.

10. We accept Rover’s tariff records effective April 1, 2018. We find that Rover submitted supporting work papers that show its fuel projections for the subject months, and Rover adequately responded to Antero’s issues in its answer, particularly that the reason that Rover is restating its full fuel reimbursement percentages at this time is that it will be using compression on its system by April 1, 2018. We remind Rover, however,


\(^4\) Rover Answer at 1-2 and 4-5.

\(^5\) Rover Answer at 4.
that any support and justification for future fuel retention rates should be part of the company’s original filing and not filed subsequently only after protests have been made to the filing. Specifically, section 154.403(d)(3)(ii) of the Commission’s regulations requires such justification to be included as part of the filing requirements. Answers to protests may sometimes help the Commission to better understand issues surrounding a filing; however, they are not to be used as a subsequent avenue for providing essential, mandated clarity of information that should have accompanied the filing in the first place. Further, in subsequent annual filings, Rover must provide adequate clarity and support consistent with the regulations and its tariff.

The Commission orders:

The proposed tariff records identified in footnote no. 1 to this order are hereby accepted effective April 1, 2018.

By direction of the Commission. Chairman McIntyre is not participating.

Kimberly D. Bose,
Secretary.