

124 FERC ¶ 61,177
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Sudeen G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

Colorado Interstate Gas Company

Docket No. RP08-104-000

ORDER ON PERIODIC FUEL ADJUSTMENT FILING

(Issued August 22, 2008)

1. On November 30, 2007, Colorado Interstate Gas Company (CIG) filed workpapers intended to fulfill its quarterly tariff filing requirement for lost, unaccounted-for (L&U) and other fuel gas (which together are comprised in the LUF reimbursement percentage), and to validate and continue the existing zero reimbursement percentage for LUF as provided for in its tariff. In this order, the Commission accepts CIG's filing and allows continuation of the existing zero reimbursement percentage as currently provided for in CIG's tariff.

Details of the Filing

2. CIG states that pursuant to section 42.7 of the General Terms and Conditions (GT&C) of its tariff, the filed LUF reimbursement percentage may not be less than zero. CIG proposes to retain the existing zero LUF reimbursement percentage in accordance with its tariff. In addition, CIG states that while the LUF reimbursement percentage will remain unchanged, its workpapers show that, except for the limitation that the retention rate cannot fall below zero, the rate would have decreased to negative 0.02 percent. According to CIG, the indicated LUF reimbursement percentage is negative due to (1) a decrease in LUF quantities for the quarter ending September 2007 versus the quarter ending September 2006, (2) a degradation in liquids processing economics that was largely driven by a decrease in liquids prices relative to the decrease in the quarterly natural gas spot prices for the quarter ending September 2007 versus the quarter ending September 2006, and (3) an increase in electric commodity expenses for the quarter ending September 2007 versus the quarter ending September 2006.

3. Additionally, CIG states that pursuant to section 42.2(d)(ii)(1) of the GT&C of its tariff,¹ excess quantities of 164,687 Dth reflected in the instant filing² relate only to the current component of the LUF reimbursement percentage and will not be credited to the invoices of CIG's shippers.

Public Notice, Intervention and Comments

4. Notice of CIG's filing issued on December 4, 2007. Interventions and protests were due as provided in section 154.210 of the Commission's regulations, 18 C.F.R. § 154.210 (2008). Pursuant to Rule 214, 18 C.F.R. § 385.214 (2008), all timely-filed motions to intervene and any motions to intervene out-of-time before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt this proceeding or place additional burdens on existing parties. On December 12, 2007, Indicated Shippers³ filed a protest and request for additional information. On December 20, 2007, CIG filed an answer. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 213(a)(2)(2008), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept CIG's answer because it has provided information that assisted us in our decision-making process.

5. Indicated Shippers state that CIG has identified the L&U component and the other fuel gas component as a single, aggregated number but has not separately identified the amount of L&U and the amount of other fuel gas. Indicated Shippers argue that just as compressor fuel is significantly different from L&U, other fuel gas is also significantly different from L&U. Indicated Shippers point out that although L&U amounts cannot be defined and are determined via a calculation, other fuel gas, just like compressor gas, is identifiable and measurable. They assert that even if other fuel gas is included as a component of the LUF rate, other fuel gas should be separately identified in CIG's quarterly fuel filing to allow the Commission and interested shippers to be able to track each component and any changes in L&U and other fuel gas. Indicated Shippers argue that identifying the quantities of measurable other fuel gas will achieve transparency for all parties. Indicated Shippers request that the Commission require CIG to revise and re-submit its quarterly filing to separately identify the L&U and the other fuel gas components and to describe what is included in the other fuel gas component. They state that to the extent that CIG has identified these individual components, CIG should

¹ Section 42.2(d)(ii) provides, in pertinent part, "Transporter will remit by invoice credit the value of the Excess L&U Quantity when any of the following occur: (1) The Excess L&U Quantity exceeds 250,000 Dth. . . ."

² CIG Filing at 2 (referencing section A, page 1 of 1, line 19, column (n)).

³ The Indicated Shippers are BP America Production Company, BP Energy Company and Marathon Oil Company.

identify which of its workpapers identifies the individual components. Indicated Shippers also requests that the Commission require CIG to separately identify the L&U and other fuel gas components in future quarterly filings.

6. In response, CIG argues that its tariff does not require it to state L&U separately from other fuel gas. According to CIG, its workpapers reflect the calculation, outlined under section 42.2 of the GT&C of its tariff, to derive the LUF reimbursement percentage.⁴ In addition, CIG argues that Indicated Shippers have failed to articulate any particular information that is missing or a reason that any such information is necessary to review the calculation of the LUF reimbursement percentage. CIG states that it has provided the same level of detail in similar formats since the inception of its LUF mechanism and that the Commission has approved its quarterly filings without “components” and without data presented separately for L&U and other fuel gas.⁵ CIG also states that Indicated Shippers have not cited any Commission precedent requiring a pipeline to have separate components for L&U and other fuel gas.

7. Additionally, CIG asserts that, because CIG’s tariff does not require it to calculate separate components for L&U and other fuel gas, to the extent the Commission believes CIG must calculate separate components of the LUF reimbursement percentage the Commission may only do so prospectively under section 5 of the Natural Gas Act.⁶ CIG states that it is also not currently required to support its reimbursement calculation by providing detail for components that do not exist under its tariff (i.e., separate L&U and other gas components). CIG also states that although it opposes refiling its November 30, 2007 quarterly filing or having separately stated amounts in its tariff for L&U and other fuel gas, it continues to seek improvements in the information and detail it provides in its quarterly filing. To that end, CIG states that it is willing to provide additional information in its workpapers for L&U and other fuel gas in future quarterly filings.

Commission Determination

8. We find that CIG has calculated the LUF reimbursement percentage in accordance with the formula provided under section 42.2 of its tariff.⁷ Section 42.2 of CIG’s tariff outlines each of the steps CIG is required to follow to derive the LUF reimbursement percentage. The workpapers CIG submitted in the instant filing show the derivation of

⁴ CIG Answer at 3 (referencing section A, page 1 of its filing).

⁵ *Id.*

⁶ 15 U.S.C. § 717d (2000).

⁷ *See* CIG Filing at section A, workpaper 1.

the LUF reimbursement percentage as required under section 42.2.⁸ In addition, we find that Indicated Shippers have not identified any particular problem with CIG's calculation of the LUF reimbursement percentage. Accordingly, we find that CIG has provided a sufficient level of detail necessary to justify its proposed quarterly update to its LUF in accordance with its fuel tracking mechanism in effect at the time that it submitted the instant filing. We therefore find acceptable CIG's proposal for the existing LUF reimbursement percentage to remain in effect for the quarter beginning January 1, 2008. Indicated Shippers' request for additional workpapers separately identifying L&U and other gas is denied.

The Commission orders:

CIG's proposal to retain its existing zero LUF reimbursement percentage is accepted as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

⁸ See CIG FERC Gas Tariff, First Revised Volume No. 1, Original Sheet No. 380G, Fourth Revised Sheet No. 380H, and Second Revised Sheet No. 380H.01.