

127 FERC ¶ 61,286  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

June 19, 2009

In Reply Refer To:  
Panhandle Eastern Pipe Line Company, LP  
Docket No. RP09-609-000

Panhandle Eastern Pipe Line Company, LP  
5444 Westheimer Road  
Houston, Texas 77056-5306

Attention: Michael T. Langston, Senior Vice President  
Government and Regulatory Affairs

Reference: Order Accepting Revised Tariff Sheets and Granting Waivers

Ladies and Gentlemen:

1. On May 22, 2009, Panhandle Eastern Pipe Line Company, LP (Panhandle) filed revised tariff sheets reflecting an out-of-cycle revision to its fuel reimbursement percentages, along with a request for waiver of section 154.207 of the Commission's regulations<sup>1</sup> and section 24.1 of the General Terms and Conditions (GT&C) of Panhandle's tariff, and any additional waivers which may be necessary in order that its proposed tariff sheets become effective June 1, 2009. The tariff sheets listed in the Appendix are accepted effective June 1, 2009, as proposed.

2. Pursuant to section 24 (Fuel Reimbursement Adjustment) of its GT&C, Panhandle is proposing an out-of-cycle revision decreasing its fuel reimbursement percentages effective June 1, 2009. Panhandle states that flow patterns have changed on its system as a result of increased Rockies Express Pipeline (Rockies Express) volume deliveries in the Market Zone, thereby requiring less overall compressor fuel usage. Panhandle states that its deferred account has increased as a result of over projections of fuel usage, which were based upon historical flow patterns. Panhandle further states that, as of April 30, 2009, the balance of its deferred account related to transportation is approximately 4 Bcf. Panhandle contends that without any change to its currently effective fuel reimbursement

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<sup>1</sup> 18 C.F.R. § 154.207 (2008).

percentages, the deferred account balance will continue to grow. As a stopgap measure, Panhandle proposes to reduce the current fuel reimbursement rates effective June 1, 2009 through October 31, 2009, at which time Panhandle will file, pursuant to section 24 of its tariff, its regularly scheduled fuel tracker filing to be effective November 1, 2009. Panhandle states that the changes proposed in this filing reflect the estimated fuel usage and lost and unaccounted for gas that will be required based upon flow patterns as adjusted for the Rockies Express activity.

3. The out-of-cycle fuel filing reflects the following adjustment to the Fuel Reimbursement Percentages:

- No change in the Gathering Fuel Reimbursement Percentage;
- 0.36 percent decrease in the Field Zone Fuel Reimbursement Percentage from 0.83 to 0.47 percent;
- 0.29 percent decrease in the Market Zone Fuel Reimbursement Percentage from 0.51 to 0.22 percent;
- No change in the Injection Field Area and Withdrawal Field Area Storage Reimbursement Percentages; and,
- No change in the Injection Market Area and Withdrawal Market Area Storage Reimbursement Percentages.

4. Due to the probable continued over-recovery of fuel reimbursement on its system and the need to reduce the fuel reimbursement percentages as soon as practicable, Panhandle requests that the Commission grant waiver of section 154.207 of its regulations and section 24.1 of the GT&C of Panhandle's tariff, and any other waivers that may be necessary to allow the proposed tariff sheets to become effective June 1, 2009.

5. Public notice of Panhandle's filing was issued May 27, 2009. 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 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. No protests or adverse comments have been filed. Consumers Energy Company (CECo) filed comments two days out-of-time. The Commission grants CECo's request to submit late-filed comments, as doing so does not delay or disrupt the proceeding or place additional burdens on existing parties.

6. CECo states that it does not oppose Panhandle's out-of-cycle fuel filing. However, CECo states that it also has some concerns with the filing. First, CECo asserts that Panhandle should provide its firm customers with more notice when it seeks to change its fuel reimbursement percentages. CECo states that the reductions in the fuel

reimbursement percentage will result in CECo having purchased more gas than it can ship because its customers have purchased more gas than they now need for fuel use. CECo states that as a result of the short notice provided by Panhandle, customers may be forced to sell this excess gas at a loss, significantly reducing or eliminating the benefit of the reduction in the fuel reimbursement percentages to its customers.

7. CECo also asserts that if increased Rockies Express deliveries in the Market Zone have been the cause of the reduced compression fuel usage, the reduction should have been anticipated so that it could have been implemented on April 1, 2009. CECo states that this would have facilitated customers' ability to match purchases with the effective fuel use percentages.

8. Thus, CECo requests that, if future out-of-cycle changes are required to Panhandle's fuel reimbursement percentages, Panhandle provide its firm customers with at least 15 business days notice prior to the effective date of such a filing and choose an effective date that is consistent with the gas purchasing practices of its customers.

9. For the reasons discussed below, the Commission accepts the tariff sheets in the Appendix to this order implementing Panhandle's proposed out-of-cycle revisions to its fuel reimbursement percentages. The Commission finds that good cause exists to grant waiver of the notice requirements of section 154.207 of the Commission's regulations and section 24.1 of the GT&C of Panhandle's tariff<sup>2</sup> to allow the proposed tariff sheets to become effective June 1, 2009, as proposed.

10. Panhandle's revisions reflect its response to unexpected changes in flow patterns on its system that have resulted in less overall compressor fuel usage and a continually increasing deferred account balance. The proposed tariff sheets represent a stopgap measure to reduce the current fuel reimbursement rates for the period June 1, 2009 through October 31, 2009, at which time Panhandle will file its regularly scheduled fuel tracker filing under section 24 of its tariff's GT&C. Panhandle's proposed out-of-cycle revisions will not increase customer rates. No customer, including CECo in its comments, opposed the out-of-cycle revisions proposed by Panhandle in this filing. Although the Commission accepts Panhandle's filing and request for waiver, the Commission urges Panhandle to consider, in any subsequent out-of-cycle revisions, the

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<sup>2</sup> Section 24.1 of Panhandle's GT&C provides that the effective date of each Fuel Reimbursement Adjustment shall be November 1 and April 1, and requires Panhandle to file the adjustment at least 30 days prior to the effective date.

concerns expressed by CECo regarding adequate notice and the impact of such out-of-cycle revisions given the gas purchasing practices of its customers.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

cc: All Parties

**Appendix**

**Panhandle Eastern Pipe Line Company, LP**

**FERC Gas Tariff, Third Revised Volume No. 1.**

*Tariff Sheets to be Effective June 1, 2009*

Twenty-Third Revised Sheet No. 4

Twenty-Third Revised Sheet No. 5

Twenty-Second Revised Sheet No. 6

Twenty-Second Revised Sheet No. 7

Twenty-Second Revised Sheet No. 8

Twenty-Third Revised Sheet No. 15

Twenty-Third Revised Sheet No. 17