

141 FERC ¶ 61,080
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Philip D. Moeller, John R. Norris,
Cheryl A. LaFleur, and Tony T. Clark.

CenterPoint Energy – Mississippi River
Transmission, LLC

Docket No. RP12-1043-000

ORDER ON TARIFF FILING

(Issued October 31, 2012)

1. On September 18, 2012, CenterPoint Energy – Mississippi River Transmission, LLC (MRT) filed revised tariff records¹ and worksheets pursuant to section 22 of its General Terms and Conditions (GT&C). Section 22 requires MRT to adjust its Fuel Use and Lost and Unaccounted-for Gas (LUFG) percentages annually to be effective November 1 based on actual data for the prior twelve-month period ending June 30th. MRT requests that the tariff records listed in the Appendix be accepted effective November 1, 2012. As discussed below, MRT's proposed tariff records will be accepted, effective November 1, 2012.

I. Background and Details of Filing

2. MRT states that this filing adjusts MRT's Fuel Use and LUFG reimbursement percentages under its Rate Schedules FTS, SCT, ITS, FSS and ISS, for firm, small customer and interruptible transportation storage services. MRT further states that this filing reflects a system-wide LUFG percentage, and it has included in this filing a system gas balance for the twelve-month period which ended June 30, 2012.

3. MRT's filing reflects the following new Fuel Use and LUFG adjustments:

Fuel Use Percentages – Rate Schedules FTS, SCT & ITS

- Field Zone and Market Zone Fuel Use is proposed at 1.12 percent. This represents an increase of 0.30 percent from the current value of 0.82 percent.
- Field Zone only Fuel Use is proposed at 0.45 percent. This represents an increase of 0.05 percent from the current value of 0.40 percent.

¹ See Appendix.

- Market Zone only is proposed at 0.67 percent. This represents an increase of 0.25 percent from the current value of 0.42 percent.

Fuel Use Percentages – Rate Schedules FSS & ISS

- Storage Injection Fuel Use is proposed at 1.58 percent. This represents a decrease of 0.25 percent from the current value of 1.83 percent.
- Storage Withdrawal Fuel Use stayed the same at 0.81 percent.

LUFG Percentages – Rate Schedules FTS, SCT & ITS

- System-wide Transportation LUFG is proposed at 0.27 percent. This represents an increase of 0.02 percent from the current value of 0.25 percent.

LUFG Percentages – Rate Schedules FSS & ISS

- Storage Injection LUFG is proposed at 0.71 percent. This represents a decrease of 0.03 percent from the current value of 0.74 percent.
- Storage Withdrawal LUFG is proposed at 0.75 percent. This represents an increase of 0.09 percent from the current value of 0.66 percent.

II. Public Notice, Protest, Comments, Interventions and Answer

4. Public notice of the filing was issued on September 19, 2012. Interventions and protests were due on or before October 1, 2012, as provided by the notice. Pursuant to Rule 214, 18 C.F.R. § 385.214 (2012), all timely motions to intervene and any unopposed motions 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 this proceeding or place additional burdens on existing parties. On October 1, 2012, Laclede Gas Company (Laclede) filed a motion to intervene with comments, and Ameren Services Company (Ameren) filed a motion to intervene and protest of MRT's filing. On October 9, 2012, MRT filed an answer to the comments and protest. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 213(a)(2) (2012), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept MRT's answer because it addresses concerns raised in the protest and comments and leads to a better understanding of the issues in the proceeding.²

² MRT filed *pro forma* tariff records proposing a three-zone configuration of the MRT system, which was protested. MRT withdrew that proposal in its answer. Consequently, the *pro forma* tariff records submitted in this filing will reflect the status condition of OBE (Overtaken By Events). No further action is required from either MRT or the Commission.

5. Ameren states that it does not protest MRT's right to make an Annual Fuel Adjustment Filing to adjust its Market and Field Zone Fuel Use and LUFG percentages, nor does it seek the outright rejection of MRT's Annual Filing. However, Ameren contends that MRT's Annual Filing lacks an adequate amount of supporting information that needs to be provided by MRT to enable its customers and the Commission to fully evaluate the appropriateness of MRT's proposed Fuel Use and LUFG percentages. Laclede also submitted comments for the Commission to consider.

6. A more detailed discussion of Ameren's protest, Laclede's comments and MRT's answer, as well as the Commission's determination of each of the issues raised, are set forth below.

III. Discussion

A. Lack of Support for Fuel Use and LUFG Calculations

1. Protest and Comments

7. Appendix C of MRT's Annual Adjustment filing contains 47 pages of calculations reconciling the Fuel Use and LUFG quantities that should have been collected by MRT (based on actual flow monthly quantities) to Fuel Use and LUFG quantities that were actually collected by month during the July 2011 through June 2012 period. These show monthly data for the twelve month period. Page 48 of Appendix C contains a summary presentation of MRT's system gas balance entitled "System Gas Balance For GIS" (System Gas Report).

8. Ameren contends that the only support provided for the massive amount of volumetric data throughout Appendix C is the System Gas Report. Ameren argues that there is no way for MRT's customers or the Commission to verify the actual monthly amounts of Fuel Use by zone or the actual monthly transportation delivery volumes by zone from the System Gas Report. Ameren requests MRT be required to update the System Gas Report with actual flow month data separated between the Market and Field Zones that would track to the monthly calculations contained in Appendix C. Additionally, Ameren requests that MRT be required to provide separate line items in the same System Gas Report that identify actual flow month storage field injections and withdrawals and the actual monthly storage field Fuel Use and LUFG that would track to the monthly storage calculations contained in Appendix C.

9. Ameren includes its analysis of two randomly selected months to illustrate differences between the actual flow month data used in MRT's Appendix C calculations and the monthly accounting data on the System Gas Report. Specifically, for February 2012, the System Gas Report lists Total Transport volume delivered of 25,677,516 MMBtu, while Appendix C shows a total of 24,021,002 MMBtu, a difference of 1,656,514 MMBtu. Additionally, for July 2011, System Gas Report lists Total Transport volume delivered of 17,467,434 MMBtu, while Appendix C shows a total of 20,594,325 MMBtu, a difference of 3,126,891 MMBtu.

10. Ameren contends that it performed additional analysis of the remaining ten months of the base period in MRT's filing and found significant differences between the System Gas Report figures and the purported actual flow month data. Ameren provided a summary of its analysis in Appendix A, Page 1 of its protest. Ameren also expresses concern about the accuracy of MRT's source data and states that the Commission should require MRT to provide the additional documentation to fully support the accuracy of its Annual Fuel Adjustment Filing.

2. MRT's Answer

11. MRT states that it uses actual flow month data to compute the Fuel Use and LUFG percentages, and not the spreadsheet figures listed on the System Gas Report. MRT states that it has prepared its Annual Adjustment filing on the basis of measurement data for each month of the covered period. Further, MRT states that the System Gas Report figures provided with MRT's filing are in accordance with Commission directive in another MRT annual Fuel Use and LUFG percentage adjustment filing.³ MRT explains that in the aforementioned filing, the Missouri Public Service Commission raised similar questions as those raised in Ameren's protest. In that proceeding the Commission "require[d] MRT to provide the system gas balance data with the filing of its next annual fuel tracker filing." MRT states that it already explained the differences in various items included in the System Gas Report, and explained that differences between the System Gas Report data and the actual flow month data upon which MRT's Fuel Use and LUFG percentages are based are explained by differences in the timing, form and type of data applicable respectively to the System Gas Report data and actual flow month data. MRT argues the Commission should not be drawn into a false comparison between fundamentally different sets of data, and should thus reject Ameren's protest.

12. Further, MRT notes that its Fuel Use and LUFG tracker is designed to be calculated based on estimates and trued-up to actual amounts. MRT argues that given that the Fuel Use and LUFG percentages are calculated based on estimates of volumes of gas delivered to MRT for the account of customers and given the existence of the true-up mechanism, the Commission should not be concerned with monthly differences between estimates and the System Gas Report figures.

3. Commission Determination

13. Fuel Use and LUFG amounts, by their very nature are not fixed and in part based on estimates; sometimes they increase, and sometimes they decrease. This fundamental characteristic of Fuel Use and LUFG is properly reflected in GT&C section 22 of MRT's tariff, which provides:

³ *Mississippi River Transmission Corp.*, 103 FERC ¶ 61,126, at P 23 (2003).

- a) Fuel Use Percentage: The current Fuel Use Percentage shall be determined on the basis of (i) the estimated quantities of gas delivered to MRT for the account of Customers under Rate Schedules FTS, SCT, ITS, FSS and ISS and (ii) the projected quantities of gas that shall be required for fuel usage.
- b) LUFG Percentage: The current LUFG Percentage shall be determined on the basis of (i) the estimated quantities of gas delivered to MRT for the account of Customers under Rate Schedules FTS, SCT, ITS, FSS and ISS and (ii) the projected quantities of gas that shall be required for fuel usage and lost or unaccounted for gas.

14. Given such changes from one period to the next, and in order to ensure that MRT is kept whole and that the appropriate amounts of gas are retained from MRT's customers to compensate for Fuel Use and LUFG, MRT's tariff sets forth a specific formula for calculating the new Fuel Percentage (including LUFG). That calculation takes into account the degree to which the actual fuel usage during a period varied from amounts retained from customers and culminates in the computation of a new Fuel Percentage to be in effect during the defined recovery period. The components of this formula are set forth in GT&C section 22.

15. Specifically, the Fuel Use and LUFG percentages are calculated by "dividing the balance of the Deferred Fuel Use Account for the most recent Base Period, including any adjustments to the Deferred Fuel Use Account attributable to the immediately preceding Base Period, by MRT's estimated quantities of gas for transportation and storage." The actual flow month data are used to compute the estimated quantities of gas for transportation and storage, and the balance of the Deferred Fuel Use Account are allocated to these volumes to arrive at the applicable Fuel Use and LUFG percentages.

16. Ameren contends there are differences between the monthly Total Transport volume delivered that is used in MRT's Fuel Use and LUFG percentage calculation, and the monthly Total Transported Volumes listed on MRT's System Gas Report. Ameren illustrated, in Appendix A, Page 1 of its protest, certain differences between the total for two data sets with the monthly data; however, the differences in the 12-month totals for these two data sets are minimal. For the 2012 cycle, System Gas Report lists Total Transport volume delivered of 271,091,578 MMBtu, while the Fuel Use and LUFG percentage calculation shows a total of 270,526,983 MMBtu, a difference of only 564,595 MMBtu. The Commission finds that MRT has reasonably explained that such monthly differences are the result of differences in the timing, form, and type of data used in the two different data sets.

17. MRT has submitted its Annual Adjustment filing in a format consistent with its tariff. The System Gas Report was proffered given the Commission's earlier findings in the order referenced in Footnote 3. Further, 18 C.F.R. § 154.403(d)(ii) states that "If the filing establishes a new fuel reimbursement percentage or surcharge, include computations for each fuel reimbursement or surcharge calculated, broken out by service, classification, area, zone, or other subcategory." We find the data provided throughout

Appendix C is in a format consistent with 18 C.F.R. § 154.403(d)(ii) and section 22 of MRT's tariff.

18. The Commission also finds that Ameren has not shown how the differences between the two data sets impair the accuracy of the computation of the Fuel Use and LUFG percentages. In other words, Ameren has not shown that MRT's source data used in the calculation of its Fuel Use and LUFG percentages were inaccurate or unreasonable. Accordingly, the Commission will not require MRT to provide any additional information with respect to the differences between the Fuel Use and LUFG percentage calculations and the System Gas Report.

B. New Data Line Items Reflected on the System Gas Balance For GIS

1. Protest and Comments

19. Laclede expresses concern with MRT's inclusion of several new lines of data on MRT's System Gas Report. Laclede states that when compared to the same schedule from MRT's previous years of a similar type of fuel adjustment filings, several new lines of data appear in MRT's September 18 Filing. Further, Laclede asserts that in the short period of time since MRT made its filing, it has not had the opportunity to assess the significance, if any, of this new presentation. Laclede argues that to the extent that the system gas balance has a bearing on the losses for which MRT is seeking recovery in its filing, the Commission should require MRT to explain the nature of each new line entry, especially the lines labeled "GAS TRANSPORTED – THRU TARIFF," and explain "TRANSP RECD THRU TARIFF" and why such volumes are set out separately in this analysis and differ from other transportation volumes.

2. MRT's Answer

20. MRT states that Laclede correctly identified certain changes in the System Gas Report. MRT contends the updates were the result of a Commission staff audit report⁴ of CEGT, MRT's affiliated interstate pipeline company. The audit report noted certain changes that were required in order for CEGT to be in compliance with the reporting requirements for FERC Form No. 2, which MRT determined were also appropriate for MRT to include in its September 18 Filing. MRT explains the changes to the System Gas Report were made in order to make the presentation consistent with the format included in MRT's FERC Form No. 2 filing.

21. Specifically, MRT states that the newly identified line items of "GAS TRANSPORTED – THRU TARIFF" and "TRANSP RECD THRU TARIFF" referenced by Laclede represent volumes of gas MRT delivers to other pipelines for transportation which volumes are subsequently redelivered back to MRT. MRT contends that since it pays transportation charges on these volumes it should be displaying these volumes in

⁴ Issued June 22, 2012 for CenterPoint Energy Gas Transmission, LLC (CEGT) in PA11-4-000.

account 858 on the System Gas Report. MRT explains that the volumes it now lists as 496.006-“GAS TRANSPORTED – THRU TARIFF” were previously listed on the 496.003-“GAS TRANSPORTED-OBA DEL” line. Furthermore, MRT explains that the volumes it now lists as 858.002-“TRANSP RECD THRU TARIFF” were previously listed on the 806.006 - “TRANSPORT RECD CEGT” line. MRT argues these entries merely provide additional detail and break down the same volumes previously reported on the System Gas Report and that these entries do not show new volume items. MRT asserts that the changes do not affect the overall volumes reported and do not have any impact on the calculation of Fuel Use and LUGF rates.

3. Commission Determination

22. MRT has satisfactorily addressed Laclede’s concerns by explaining the nature of the new line items shown on MRT’s System Gas Report and why such volumes are set out separately and differ from other transportation volumes on the report. Therefore, we will not require MRT to provide any additional support for these new line items shown on its System Gas Report in Appendix C of its September 18 filing.

C. Erroneous Level of LUGF in MRT’s Last Fuel Filing

1. Protest and Comments

23. Laclede states that in a similar fuel filing made by MRT a year ago, MRT itself questioned the accuracy of the LUGF it had experienced in the prior annual period. Laclede refers to MRT’s transmittal letter of September 23, 2011, in Docket No. RP11-2580, where MRT stated:

MRT believes the level of LUGF shown by Appendix C is indicative of a measurement or metering error on its system or is otherwise anomalous. MRT is in the process of analyzing its data, processes and system to determine the cause of the anomaly and make appropriate corrections.

Laclede argues that given MRT’s concerns expressed at that time, it now would be an appropriate time for the Commission to require MRT to report the results of its findings and state whether it believes that its latest data is representative of the LUGF on its system.

2. MRT’s Answer

24. MRT states in its answer that it routinely undertakes investigations which examine the accuracy of the reporting and calculation process. Those investigations include the accuracy and coding of individual meters, the gas analysis used on the meters from the various chromatographs and composite samplers, storage injections and withdrawals, and the volumes that flowed between MRT and points of interconnection with other pipelines. MRT states that based on its investigation, it has found no evidence that the

LUFG data included in MRT's last annual fuel and LUFG adjustment filing were inaccurate or the result of measurement or metering errors or other anomalies.

3. Commission Determination

25. MRT's explanation contained in its October 9 Answer should satisfy Laclede's request for the results of MRT's findings from the investigation of LUFG reported in its September 23, 2011 Filing, in Docket No. RP11-2580-000. MRT states their investigation found no anomalies or inaccuracies with the LUFG levels in its last fuel filing. Therefore, the Commission will not require MRT to provide any additional support associated with the investigation of the level of LUFG reflected in its last fuel filing.

IV. Findings

26. The Commission has reviewed Laclede's comments, Ameren's protest and MRT's answer, and find that the proposed tariff records have been shown to be just and reasonable. Accordingly, the Commission accepts the tariff records for filing effective November 1, 2012.

The Commission orders:

The tariff records listed in the Appendix of this order are accepted effective November 1, 2012, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

Appendix

CenterPoint Energy - Mississippi River Transmission, LLC
FERC NGA Gas Tariff
MRT Tariffs

Tariff Records Accepted Effective November 1, 2012:

[Sheet No. 7, Firm Transportation Service Rates, 4.0.0](#)

[Sheet No. 8, Small Customer Transportation Service Rates, 4.0.0](#)

[Sheet No. 9, Interruptible Transportation Service Rates, 4.0.0](#)

[Sheet No. 10, Firm and Interruptible Storage Service Rates, 3.0.0](#)

[Sheet No. 19, Currently Effective Rates Footnotes, 3.0.0](#)

Tariff Records Withdrawn:

[Pro Forma Sheet No. 7, Firm Transportation Service Rates, 4.0.0](#)

[Pro Forma Sheet No. 8, Small Customer Transportation Service Rates, 4.0.0](#)

[Pro Forma Sheet No. 9, Interruptible Transportation Service Rates, 4.0.0](#)