

142 FERC ¶ 61,169
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

March 1, 2013

In Reply Refer To:
El Paso Natural Gas Company
Docket No. RP12-780-000

El Paso Natural Gas Company
Post Office Box 1087
Colorado Springs, CO 80944

Attention: M. Catherine Rezendes
Director, Rates Department

Reference: Limited Penalty Crediting Report

Dear Ms. Rezendes:

1. On May 31, 2012, pursuant to section 14.2(j) of the General Terms and Conditions of its Tariff, El Paso Natural Gas Company (EPNG) filed a limited penalty crediting report of penalty credits other than cash-out credits for the first quarter of 2011. These credits for penalties incurred from January 1 through March 31, 2011, were distributed to shippers on April 12, 2012. The first quarter credits issued to shippers consisted of the principal of the daily-hourly penalties, the principal of the strained and critical operating penalties, which together amounted to \$1,174,510.80, and interest of \$42,637.22, calculated in accordance with section 154.501(d) of the Commission's regulations.

2. In its May 31, 2012 report, EPNG further explains that on April 13, 2012, it requested waiver pertaining to the timing requirements of the penalty credits for the period April through December 2011 and for cash out credits related to gas imbalances for the period January through December 2011. EPNG explains that waiver was requested to credit and file such penalty amounts on a delayed basis following final resolution of service rates that were pending in EPNG's system-wide rate case in Docket No. RP10-1398-000, where the final rates were to be effective as of April 1, 2011. It states that a Commission decision in Docket No. RP10-1398-000 that results in changed recourse and or penalty rates would render incorrect refunds disbursed before the rates are known, so as to require recalculation and adjustment of the crediting amounts.

However, because the penalty rates for the first quarter of 2011 are not subject to refund, El Paso asserts these can be passed through to customers by credits determined with reasonable certainty as contemplated by its tariff.

3. EPNG states that the penalty crediting report for the period April through December 2011 will be filed no later than 60 days after the issuance of the penalty credits on shippers' invoices or by check.

4. Public notice of the filing was issued on June 7, 2012. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2012)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2012)), 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. No protests or adverse comments were filed to the limited penalty credits reported by EPNG.

5. The Commission finds that El Paso's limited penalty crediting report filed pursuant to section 14.2(j) of El Paso's Tariff is uncontested and is hereby accepted.

6. In a notice issued in Docket No. RM01-5-000 on November 17, 2011, the Commission indicated that in the future it "may not issue an order on reports." Accordingly, El Paso is advised that future refund reports, if unprotested, may be treated as informational and the Commission may not issue an order on those reports.

By direction of the Commission.

Kimberly D. Bose,
Secretary.