170 FERC ¶ 61,159
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

February 27, 2020

In Reply Refer To:
Cameron Interstate Pipeline, LLC
Docket No. RP20-472-000

Cameron Interstate Pipeline, LLC
488 8th Avenue
San Diego, CA 92101

Attention: Jerrod L. Harrison, Sr. Counsel

Dear Mr. Harrison:

1. On January 30, 2020, Cameron Interstate Pipeline LLC (Cameron) filed a revised tariff record,[1] pursuant to Section 8.22 of the General Terms and Conditions (GT&C) of its FERC Gas Tariff, reflecting its annual fuel retainage percentage (FRP) filing. Cameron also requests a limited waiver of GT&C Section 8.22 in order to continue the currently-effective FRPs of 0.00% for its original facilities and 0.40% for its expansion facilities. For good cause shown, the Commission grants the requested waiver and accepts the referenced tariff record to be effective March 1, 2020, subject to conditions.

2. Cameron states that it maintains two separate FRPs, one applicable to service on its initial natural gas pipeline facilities (Original Facilities) authorized by the Commission in Docket Nos. CP02-374-000, CP05-119-000 and CP05-121-000, and one applicable to service on the mainline expansion, compression, and metering facilities (Expansion Facilities) that were authorized by the Commission in Docket Nos. CP13-27-000 and CP16-76-000.[2] According to Cameron, the Original Facilities were constructed for the purpose of transporting re-gasified, imported liquefied natural gas (LNG) from the terminal owned by Cameron's affiliate, Cameron LNG, LLC (Cameron Terminal).[3]

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[1] Cameron Interstate Pipeline, LLC, FERC NGA Gas Tariff, Cameron Interstate Pipeline, LLC FERC Gas Tariff, Rates and Charges, Summary of Rates and Charges, Section 4.0, 32.0.0.

[2] Cameron Transmittal Sheet at 2.

[3] *Id*. (citing *Hackberry LNG Terminal, L.L.C.*, 101 FERC ¶ 61,294 (2002), *order issuing certificates and granting reh'g*, *Cameron LNG, LLC*, 104 FERC ¶ 61,269 (2003);

Cameron states that the Expansion Facilities were constructed to transport natural gas to the Cameron Terminal for export as LNG.[4]

3. Cameron states that Section 8.22 of its GT&C requires Cameron to submit an annual filing, on or before December 1 of each year, to adjust the FRP to reflect the annual calculations described in Section 8.22, with the adjustment to become effective as of January 1 of the following year. According to Cameron, Section 8.22.4 provides that the adjusted FRP will consist of two components: (a) a base fuel retainage percentage; and (b) a fuel retainage true-up adjustment. Cameron states that it is required to calculate both the base fuel retainage percentage and the fuel retainage true-up adjustment in November of each year based on the prior 12-month period (i.e., November 1 of the prior year through October 31 of the current year). Further, Cameron states that GT&C Section 4.0 requires it to calculate a separate FRP for both the Original and Expansion Facilities in its annual filing.[5]

4. Cameron states that on November 26, 2019, it sought a 60-day extension of time to submit its annual FRP filing which was due on December 1, 2019. Cameron states that the 12-month period applicable to the annual FRP filing was from November 1, 2018, through October 31, 2019. In that filing, Cameron explained that its actual fuel and loss quantities changed significantly following the commencement of LNG export service utilizing the first liquefaction train at the Cameron Terminal on August 1, 2019 and requested additional time to allow it to analyze data and to investigate the cause of the change. Cameron states that it proposed to submit its FRP filing on or before January 30, 2020, to be effective March 1, 2020, and to leave in place its currently effective FRPs until the new FRPs take effect. Cameron then asserts that on December 17, 2019, the Commission issued an unpublished letter order in Docket No. RP20-265-000 granting Cameron's waiver request and finding that the Commission's regulations require that estimates used in the calculation of true-up mechanisms must be justified.[6]

5. Cameron states that the 12-month period applicable to the instant filing is from November 1, 2018, through October 31, 2019 and that the FRP calculation for the Original Facilities continues to be 0.00%, because those facilities did not provide services. However, Cameron states that its calculation of FRP for the Expansion

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Cameron LNG, LLC, 111 FERC ¶ 61,490 (2005); *Cameron LNG, LLC*, 115 FERC ¶ 61,229 (2006); *Cameron Interstate Pipeline, LLC*, 117 FERC ¶ 61,297 (2006)).

[4] *Cameron LNG, LLC*, 147 FERC ¶ 61,230, *reh'g denied*, 148 FERC ¶ 61,237 (2014).

[5] Cameron Transmittal Sheet at 2.

[6] *Id*. (citing *Cameron Interstate Pipeline, LLC*, 169 FERC ¶ 61,203 (2019)).

Facilities results in an apparent over-recovery of 431,323 dekatherms (Dth) during the previous fuel cycle and the prescribed calculation results in a negative FRP of 1.12%.[7] Cameron asserts that the magnitude of the over-recoveries suggests that these figures may not be reliable as a reflection of actual over-recoveries on Cameron's system.[8]

6. Cameron states that in its November 26, 2019 filing requesting a 60-day extension of time to submit its annual FRP filing it explained that it needed additional time to allow it to analyze data and investigate the cause of the significant change in its actual fuel and loss quantities. Subsequent to the Commission granting said extension, Cameron states that it undertook an investigation and replaced four valves at its metering and regulating stations to address the FRP imbalance. Specifically, Cameron states that, between December 2019 and January 2020, it was able to remove, upgrade, and reinstall the flow valves on all four high flow meter runs.[9] Cameron also states that the low flow meter run, which is seldom used, is proposed to be replaced at some point in the future. Cameron states that the valve replacement has reduced the positive lost and unaccounted for gas (LAUF) amount to a certain extent, however, there still appears to be a positive LAUF amount. Given the continued uncertainty regarding the reliability of its data pertaining to its LAUF figures, Cameron requests that the Commission grant a limited waiver of GT&C Section 8.22 and allow it to leave in place its currently-effective FRP of 0.00% for the Original Facilities and 0.40% for its Expansion Facilities. Cameron recommends that approval of its request be made subject to a requirement that it file in this proceeding, within six months of the date of the Commission's order, a report describing its progress in investigating and resolving the apparent over-collection of gas on its system.[10]

7. Additionally, Cameron asserts that maintaining the 0.40 retainage rate for the remainder of the year would avoid disruptions to its shippers. Cameron asserts that implementation of a low or positive retainage percentage based upon questionable data could lead to an under-recovery in the next period, possibly resulting in greater volatility in future filings.[11]

8. As reflected in Cameron's work papers in Attachment A, the FRP calculation for the Original Facilities continues to be 0.00%. The zero-fuel rate on the Original Facilities

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[7] *Id. See* Attachment A of the filing.

[8] *Id.*

[9] *Id*. at 3.

[10] *Id*.

[11] *Id*.

reflects that, as in the previous year, Cameron has not provided service using these facilities. Cameron proposes to leave this rate in effect. Consistent with GT&C Section 8.22, Cameron proposes to continue utilizing the 0.40% FRP that was approved in the certificate proceedings for the Expansion Facilities and proposes to carry forward the 431,323 Dth gain to its next FRP filing.

9. Cameron asserts that good cause exists for the Commission to grant the limited waiver given an FRP based upon anomalous operational data. Cameron states that the Commission has in the past granted waiver of the retainage calculation provisions of natural gas pipeline tariffs where justified by anomalous conditions resulting from start-up period operational issues.[12] Cameron therefore requests a limited waiver of GT&C Section 8.22 and acceptance of the referenced tariff record, to be effective March 1, 2020.

10. Public notice of the filing and request for waiver was issued on February 4, 2020. Pursuant to Rule 214,[13] 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 adverse comments or protests were filed. The request for waiver is therefore uncontested.

11. We accept Cameron's referenced tariff record, to be effective March 1, 2020. We find that good cause exists to grant Cameron a limited waiver of GT&C Section 8.22 to continue the currently-effective FRP of 0.00% for its Original Facilities and 0.40% for its Expansion Facilities. We also accept Cameron's proposal to file a progress report, within six months of the date of this order's issuance, detailing its progress in investigating and resolving the over-collection of gas on its system.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

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[12] *Id*. (citing *Rockies Express Pipeline LLC*, 146 FERC ¶ 61,222, at P10 (2014)).

[13] 18 C.F.R. § 385.214 (2019).