

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Richard Glick, Chairman;
Neil Chatterjee, James P. Danly,
Allison Clements, and Mark C. Christie.

Enable Mississippi River Transmission, LLC

Docket No. CP20-456-000

ORDER AMENDING CERTIFICATE

(Issued April 15, 2021)

1. On May 15, 2020, Enable Mississippi River Transmission, LLC (Enable MRT) filed an application pursuant to section 7(c) of the Natural Gas Act (NGA)¹ and part 157 of the Commission's regulations² for authorization to amend the certificate of public convenience and necessity for the East Unionville Storage Field (East Unionville or storage field), located in Lincoln Parish, Louisiana. Enable MRT proposes to reduce the storage field's certificated cushion gas capacity and to increase the certificated working gas capacity, while keeping the storage field's certificated total capacity unchanged. For the reasons discussed below, we grant the requested authorizations, subject to conditions.

I. Background and Proposal

2. Enable MRT,³ a Delaware limited liability company with its principal place of business in Houston, Texas, is a natural gas company and the owner and operator of East Unionville. Enable MRT is a natural gas company as defined by section 2(6) of the NGA.⁴

¹ 15 U.S.C. §717f(c).

² 18 C.F.R. pt. 157 (2020).

³ Enable MRT is a wholly owned subsidiary of Enable Midstream Partners, LP, which is a publicly traded limited partnership of which Enable GP, LLC is the General Partner. Enable GP, LLC is jointly owned by CenterPoint Energy, Inc. and OGE Energy Corp.

⁴ 15 U.S.C. §717a(6).

3. Enable MRT's East Unionville Storage Field was certificated in 1973,⁵ and, as was common at the time, the certificate order did not specify working gas, cushion gas, or total reservoir capacities, but the order did establish a maximum shut-in pressure of 4,350 pounds per square inch gauge (psig).⁶ In a subsequent order, the Commission amended the East Unionville parameters, setting a total reservoir capacity of 55.2 billion cubic feet (Bcf), consisting of 27.6 Bcf of working gas capacity and 27.6 Bcf of cushion gas capacity.⁷

4. Enable MRT proposes to reduce East Unionville's certificated cushion gas capacity to 19.1 Bcf and to increase East Unionville's certificated working gas capacity to 36.1 Bcf. East Unionville's total certificated capacity of 55.2 Bcf will not change.⁸

5. The proposed 8.5 Bcf reduction to East Unionville's certificated cushion gas capacity reflects Enable MRT's determination, based on an improved understanding of East Unionville's geology, advances in technology and modeling, and improved data and data sources, that its previous estimate of the original-gas-in-place (OGIP) was overstated by approximately 4.5 Bcf.⁹ The space in the reservoir assumed to be occupied by the OGIP has been in effect operating as working gas capacity and Enable MRT accordingly proposes to increase the working gas capacity by 4.5 Bcf to reflect this reality. In addition, Enable MRT has concluded that approximately 4.0 Bcf of cushion gas was lost from East Unionville between 2000 and 2009.¹⁰ Enable MRT proposes to convert the certificated capacity related to this 4.0 Bcf of lost cushion gas to working gas capacity,

⁵ East Unionville was originally certificated in Docket No. CP73-130. *Mississippi River Transmission Corp.*, 50 FPC 46 (1973).

⁶ *Id.*

⁷ Enable MRT May 15, 2020 Application at 4; *see also CenterPoint Energy-Mississippi River Transmission Corp.*, 135 FERC ¶ 61,049 (2011) (amending the East Unionville certificate to reflect the current cushion gas and working gas capacities).

⁸ Enable MRT May 15, 2020 Application at 1.

⁹ *Id.* at 1-2. Enable MRT determined that East Unionville's OGIP is 4.441 Bcf lower than Enable MRT had previously believed. For ease of administering East Unionville's certificate, Enable MRT has rounded that value up to 4.5 Bcf. *Id.* at 2.

¹⁰ *Id.* at 2. Enable MRT determined that East Unionville lost approximately 4,090,840 Mcf of cushion gas, which is rounded to 4.0 Bcf in its application. *Id.* at Exhibit Y.

based on Enable MRT's conclusion that this conversion will not impact Enable MRT's ability to meet the firm storage service deliverability requirements of its tariff.¹¹

6. Enable MRT is not seeking recovery of the lost cushion gas from customers. The reclassification of the cushion gas capacity to working gas capacity will allow Enable MRT to provide additional storage capacity to the market as interruptible storage services. It will not be able to provide additional firm storage service because there is no increase in deliverability from the storage field.¹²

7. Enable MRT also seeks approval of the accounting entries associated with the proposed amendments to the East Unionville certificate.¹³

II. Notice, Protest and Comments

8. Notice of Enable MRT's application was published in the Federal Register on June 2, 2020,¹⁴ with interventions and comments due on or before June 17, 2020. Ameren Illinois Company, Spire Missouri Inc. (Spire), and the Missouri Public Service Commission each filed timely, unopposed motions to intervene.¹⁵ Spire filed comments and Enable MRT filed a reply to Spire's comments on July 2, 2020. These filings are addressed below. Spire filed an answer to Enable MRT's reply on July 17, 2020.

¹¹ Enable MRT May 15, 2020 Application at 12-13. In Docket No. CP11-51-000, in response to the loss of 1.23 Bcf of cushion gas, Center Point MRT requested approval to (i) reclassify 1.23 Bcf of cushion gas capacity to working gas capacity in both East and West Unionville and (ii) abandon, pursuant to NGA Section 7(b), the 1.23 Bcf of cushion gas that had been lost. In its order, the Commission stated that no abandonment authorization under NGA Section 7(b) was necessary because Center Point MRT had not proposed to abandon "any portion of its facilities, or any service rendered by its facilities[.]" *CenterPoint Energy-Mississippi River Transmission Corp.*, 135 FERC ¶ 61,049, at P 1, n.3 (2011). For these reasons, in this application, Enable MRT has not requested authority to abandon the 4.0 Bcf of cushion gas. Enable MRT May 15, 2020 Application at 12.

¹² *Id.* at 3.

¹³ *Id.* at 3 and Exhibit Y.

¹⁴ 85 Fed. Reg. 33,657 (June 2, 2020).

¹⁵ Timely, unopposed motions to intervene are granted by operation of Rule 214(c) of the Commission's Rules of Practice and Procedure. 18 C.F.R. § 385.214(c) (2020).

Rule 213(a)(2) of the Commission's Rules of Practice and Procedure¹⁶ prohibits an answer to an answer, unless otherwise permitted. We are not persuaded to allow Spire's answer to Enable MRT's answer.

III. Discussion

9. Since Enable MRT's proposal involves the transportation of natural gas in interstate commerce, it is subject to the Commission's jurisdiction under subsections (c) and (e) of section 7 of the NGA.¹⁷

A. Capacity of East Unionville Storage Field

10. Commission staff analyzed Enable MRT's proposal and found that the proposed amendment will not adversely impact Enable MRT's ability to provide service. After reviewing the data in the record, Commission staff agrees that 4.5 Bcf of cushion gas attributed to native gas in 1973 never actually existed and in fact has been operating as working gas. Additionally, 4.0 Bcf of cushion gas was lost via leaks between 2000 and 2009.¹⁸ East Unionville's physical characteristics have not changed. Rather, Enable MRT has improved its understanding of East Unionville's characteristics. Therefore, we find it appropriate to restate the working gas capacity of the East Unionville Storage Fields to 36.1 Bcf and the cushion gas capacity to 19.1 Bcf.

B. Accounting Treatment

11. In Exhibit Y of its Application, Enable MRT provides a proposed accounting entry that records approximately 4.0 Bcf of cushion gas loss by debiting Account 823, Gas Losses, and crediting Account 117.1, Gas Stored-Base Gas, for \$2,278,598 (\$0.557 per Mcf).¹⁹

12. Spire takes issue with this accounting treatment, arguing that Enable MRT's proposed accounting differs from the accounting treatment approved in 2011 when Enable MRT's predecessor reclassified 1.2 Bcf of cushion gas capacity as working gas

¹⁶ *Id.* § 385.213(a)(2).

¹⁷ 15 U.S.C. §§ 717f(c), (e).

¹⁸ Enable MRT notes that it has addressed the surface valve leaks that were the causes of gas losses from 2000-2009. Enable MRT May 15, 2020 Application at 11. In 2009, Enable MRT installed ultrasonic measurement equipment to provide better measurement of gas flows between Enable MRT's Main Line System and the Unionville Storage Field, as well as improving its annual storage inventory process. *Id.*

¹⁹ *Id.* at Exhibit Y.

capacity in its East and West Unionville Storage Fields and wrote off costs associated with that 1.2 Bcf of cushion gas loss.²⁰ Spire notes that Enable MRT proposes to make a “volume adjustment for the 4.4 Bcf of cushion gas based on its determination that it purportedly bought less gas than it thought, without any corresponding value adjustment.”²¹ Spire asserts that Enable MRT’s proposed accounting treatment “would render Account No. 117.1 to be overstated, by failing to account for a loss in cushion gas incurred by inaccurate gas measurement.”²² Spire argues it would be more accurate for Enable MRT to “credit and debit to Account Nos. 117.1 and 823 equal to the original unit cost of the cushion gas (\$0.465 per thousand cubic feet (Mcf)) multiplied by the 4,441,000 Mcf of original cushion gas that Enable MRT is removing from inventory plus the 4,090,840 Mcf that Enable MRT alleges was lost between 2000 and 2009.”²³ Spire argues that Enable MRT should recognize an adjustment for 8.5 Bcf as lost gas.

13. Enable MRT responds that the account balance for Account 117.1 reflects the entire historical cost paid for the entire estimated volume of cushion gas²⁴ and that its accounting treatment is consistent with the goal under the NGA that a natural gas company must be afforded the opportunity to recover its investment in regulated assets. It argues the treatment is consistent because the accounting entries retain on Enable MRT’s books the full investment in the native gas present in East Unionville, and that investment will not change as a result of the requested amendments, whereas Spire’s proposed accounting treatment would “require [Enable] MRT to ‘write-off’ the value of the native gas” that Enable MRT has now determined was never in the storage field, even though the cost paid for that gas remains unchanged.²⁵

14. The Commission has analyzed Enable MRT’s proposal for recording the 4.0 Bcf of cushion gas loss and finds it to be appropriate. Further, the Commission agrees with Enable MRT that the disputed 4.5 Bcf of cushion gas attributed to native gas in 1973

²⁰ Spire Missouri, Inc. June 17, 2020 Comments and Motion to Intervene at 4 (citing *CenterPoint Energy-Mississippi River Transmission Corp.*, 135 FERC ¶ 61,049 (2011)).

²¹ *Id.* at 5. Spire refers to the 4,441,000 Mcf of cushion gas as 4.4 Bcf, while Enable MRT refers to the 4,441,000 Mcf as 4.5 Bcf throughout its amendment application.

²² *Id.* at 6.

²³ *Id.* at 7.

²⁴ Enable MRT July 2, 2020 Answer at 4.

²⁵ *Id.* at 4-5.

never existed.²⁶ Enable MRT explained that the actual amount of base gas acquired in 1973 was less than it believed, resulting in a higher per-unit price paid for the actual cushion gas in the East Unionville Storage Field. Therefore, we disagree with Spire's characterization of the cushion gas loss and conclude that Enable MRT appropriately does not propose to reflect an adjustment of 4.5 Bcf in Account 117.1. As indicated above, Enable's proposed accounting in Exhibit Y appropriately proposes to record the gas loss of 4.0 Bcf.

15. Both Spire and Enable MRT request that the Commission make clear that the resolution of these accounting entries should "not be construed as addressing any potential storage rate issues associated with [East Unionville] . . . that may be raised in a future rate case."²⁷ We so note.

C. Environmental Analysis

16. Because Enable MRT does not propose any construction, removal, ground-disturbing activities, or changes to land-use activities, we find that the requested authorizations will not result in any environmental impacts.²⁸

D. Conclusion

17. Based on the discussion above and the fact that the proposal will have no impact on the environment, we find under section 7(c) of the NGA that the public convenience and necessity requires approval of Enable MRT's requested amendments to its certificate.

The Commission orders:

(A) Enable MRT's certificate of public convenience and necessity is amended to account for the loss of approximately 4.0 Bcf of cushion gas and the reclassification of the storage capacity associated with this gas from cushion to working gas capacity and to reclassify approximately 4.5 Bcf of cushion gas, assumed to be OGIP, to working gas capacity, all as more fully described in the application and the body of this order.

(B) The certificated total capacity of the East Unionville Storage Field is 55.2 Bcf at a maximum shut-in reservoir pressure of 4,350 psig (as measured at the wellhead), of which 19.1 Bcf is cushion gas capacity and 36.1 Bcf is working gas capacity.

²⁶ See Enable MRT August 5, 2020 Response to Commission Data Request at 3.

²⁷ Enable MRT July 2, 2020 Answer at 6; Spire Missouri, Inc. June 17, 2020 Comments and Motion to Intervene at 7.

²⁸ Commission Staff June 16, 2020 Environmental Assessment Report at 1.

(C) Enable MRT's is authorized to account for the 4.0 Bcf cushion gas loss as more fully described in the application and in the body of this order.

(D) Except as provided herein the operating terms and conditions of the East Unionville Storage Field remains unchanged.

(E) Enable MRT shall conduct an annual inventory verification study on the East Unionville Storage Field and file the results with the Commission for the next two calendar years.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.