

169 FERC ¶ 61,083
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

October 30, 2019

In Reply Refer To:
Panhandle Eastern Pipe Line Company, LP
Docket No. RP19-1641-000

Panhandle Eastern Pipe Line Company, LP
1300 Main Street
Houston, TX 77002

Attention: Lawrence J. Biediger,
Sr. Director, Rates and Regulatory Affairs

Reference: Fuel Reimbursement Adjustment

Dear Mr. Biediger:

1. On September 30, 2019, Panhandle Eastern Pipe Line Company, LP (Panhandle) filed revised tariff records to reflect fuel reimbursement percentage adjustments under certain rate schedules, to become effective November 1, 2019.¹ Panhandle also seeks waiver of Section 24.4(a) of the General Terms and Conditions (GT&C) of its tariff to allow it to utilize the estimated Deferred Reimbursement Account balance as of October 31, 2019, rather than the balance provided for in its tariff, to calculate the deferred fuel reimbursement component of its fuel reimbursement percentage. For good cause shown we grant the waiver request, and we accept the proposed tariff records to become effective November 1, 2019, subject to conditions as discussed below.²

¹ See Appendix.

² In its filing, Panhandle included tariff records associated with Rate Schedules HFT, WS, PS and IWS. However, Panhandle has proposed that these rate schedules be cancelled as part of the broader rate proceeding in Docket No. RP19-1523-000. See the suspension order in *Panhandle Eastern Pipe Line Co., LP*, 168 FERC ¶ 61,208 (2019), which the Commission issued on the same day that Panhandle made the instant filing. The Commission held that Panhandle's proposal to cancel these rate schedules is subject to the outcome of hearing procedures and a technical conference.

2. Panhandle submitted fuel rate computations and projections in accordance with Section 24 of the GT&C of its tariff. Panhandle states that it has calculated its fuel rates to match expected fuel usage. Panhandle states that the forecasted throughput is based on historical experience, but also accounts for anticipated market conditions. In support of its request for waiver of Section 24.4(a) of its GT&C, Panhandle asserts that utilizing the Deferred Reimbursement Account balance as of October 31, 2019 results in a more accurate estimate than would be calculated under the current tariff provision absent waiver.

3. Public notice of the filing was issued on October 3, 2019. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.³ Pursuant to Rule 214,⁴ all timely-filed motions to intervene and any unopposed motions to intervene filed out-of-time 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. On October 11, 2019, the Missouri Public Service Commission (Missouri Commission) filed a protest.

4. In its protest, the Missouri Commission states that it is unable to determine whether Panhandle has improperly included gas losses in its Deferred Reimbursement Account and annual fuel reimbursement surcharge resulting from certain incidents that the pipeline reported to the United States Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA). Specifically, the Missouri Commission cites two PHMSA-reported incidents, which it describes as "not typically recurring" and "abnormal."⁵ The Missouri Commission states that, in the first incident, a March 3, 2019 explosion and fire, caused by "environmental cracking" of the pipe, resulted in a 91,719 Mcf (95,021 MMBtu) gas loss.⁶ It states that, in the second, May 10, 2019 incident, 3,121 Mcf (3,233 MMBtu) of gas was lost because a relief valve set point was set too low due to the use of a faulty test stand during testing and inspection.⁷

5. On October 17, 2019, Panhandle filed an answer (Answer) to the Missouri Commission's protest. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure prohibits an answer to a protest unless otherwise ordered by the decisional

³ 18 C.F.R. § 154.210 (2019).

⁴ 18 C.F.R. § 385.214 (2019).

⁵ Missouri Commission Protest at 5.

⁶ *Id.*

⁷ *Id.* at 5-6.

authority.⁸ We will accept Panhandle's Answer because it has provided information that assisted us in our decision-making process.

6. In its Answer, Panhandle states that losses related to the March 3 and May 10, 2019 incidents were inadvertently included in the September 30 filing. Panhandle has submitted updated *pro forma* tariff records reflecting the removal of the gas losses associated with these incidents. Panhandle states that it will make a compliance filing to submit actual tariff records identical to the *pro forma* tariff records submitted with its Answer, upon issuance of the Commission's order in this proceeding.

7. We have reviewed Panhandle's request for waiver and find good cause exists to grant the requested waiver based on Panhandle's representation that doing so will result in a more accurate estimate than would be calculated under Section 24.4(a) of its tariff. Accordingly, we grant the requested waiver and accept the proposed tariff records, effective November 1, 2019, subject to Panhandle's filing revised tariff records consistent with the *pro forma* tariff records submitted in its Answer, within 15 days of the date of this order.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

⁸ 18 C.F.R. § 385.213(a)(2) (2019).

Appendix

Panhandle Eastern Pipe Line Company, LP
FERC NGA Gas Tariff
Fourth Revised Volume No. 1

Tariff Records Accepted Subject to Conditions, Effective November 1, 2019

[Rate Schedule FT, Currently Effective Rates, 25.0.0](#)
[Rate Schedule EFT, Currently Effective Rates, 25.0.0](#)
[Rate Schedule SCT, Currently Effective Rates, 25.0.0](#)
[Rate Schedule LFT, Currently Effective Rates, 25.0.0](#)
[Rate Schedule HFT, Currently Effective Rates, 25.0.0](#)
[Rate Schedule IOS, Currently Effective Rates, 16.0.0](#)
[Rate Schedule WS, Currently Effective Rates, 16.0.0](#)
[Rate Schedule PS, Currently Effective Rates, 16.0.0](#)
[Rate Schedule FS, Currently Effective Rates, 16.0.0](#)
[Rate Schedule DVS, Currently Effective Rates, 16.0.0](#)
[Rate Schedule IT, Currently Effective Rates, 25.0.0](#)
[Rate Schedule EIT, Currently Effective Rates, 25.0.0](#)
[Rate Schedule IOS, Currently Effective Rates, 16.0.0](#)
[Rate Schedule IWS, Currently Effective Rates, 16.0.0](#)