



Elba Express
Company, L.L.C.
a Kinder Morgan company

September 18, 2018

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D. C. 20426

Re: Elba Express Company, L.L.C.
Interim Update of Fuel Retention Rates
Docket No. RP18-

Dear Ms. Bose:

Elba Express Company, L.L.C. (“EEC”) submits for filing and acceptance by the Federal Energy Regulatory Commission (“Commission”) this interim filing to update its fuel retention rate pertaining to LAUF¹ recovery. EEC submits the following tariff sections to become effective November 1, 2018, as part of its FERC Gas Tariff, First Revised Volume No. 1 (Tariff”).

Section 2.1, Rate Section – FTS, Version 12.0.0
Section 2.2, Rate Section – ITS, Version 11.0.0

Nature, Basis and Reasons For Proposed Tariff Changes

Section 25.2 of the General Terms and Conditions (“GT&C”) of EEC’s Tariff provides that EEC’s fuel retention rates will be determined at EEC’s discretion but no less frequently than annually. EEC submitted its required annual fuel filing on April 17, 2018 (Docket No. RP18-709) to update its fuel retention rates to be effective June 1, 2018 (based on actual data for the twelve months ending February 28, 2018). The FERC approved this filing on May 2, 2018. However, the actual LAUF on the EEC system is now lower than the percentage being retained. Therefore, EEC proposes in this interim filing to decrease its LAUF retention rate from .51% to .11% to be effective November 1, 2018 in order to minimize any cash true-up due to the shippers in 2019 for such over-recovery.

It is important to update the LAUF retention rate since under EEC’s tariff in Section 25.4 of the GT&C, any over-recovery of LAUF in the next annual true-up (which will be based on the March 2018-February 2019 annual period) will be credited to EEC’s customers in the summer of

¹ LAUF means lost and unaccounted for gas as specified in Section 25 of the GT&C of the EEC Tariff.

2019 as a dollar amount (based on applicable monthly index prices). EEC believes that it is better for EEC to make the adjustment to LAUF now, as proposed in this filing, so that shippers are able to provide gas in kind for LAUF on a timely basis, concurrent with their other business transactions, rather than receiving a refund covering the over-recovery for the entire annual period in the summer of 2019.

As indicated on Schedule 2 in Appendix B, the current LAUF over-recovery for the March 2018-August 2018 period is \$663,380. As reflected on Schedule 3 in Appendix B, the new proposed LAUF retention rate of .11% proposed to be effective November 1, 2018 will help to mitigate this LAUF over-recovery situation by the end of February 2019 (i.e. the end of the current twelve month annual true-up period). The .11% proposed LAUF retention rate is projected to result in enough under-recovery from November 2018 through February 2019 to offset most if not all of the over-recovery experienced during the current period.

Procedural Matters

In accordance with the applicable provisions of Part 154.7 of the Commission's regulations, EEC submits the following materials in connection with the filing:

1. An etariff XML filing package containing the proposal in electronic format;
2. A transmittal letter;
3. Appendix A, containing clean and marked versions of the tariff sections in PDF format;
4. Appendix B, containing supporting workpapers.

Pursuant to Section 154.7(a) of the Commission's regulations, EEC hereby moves to place the revised tariff records into effect at the requested effective date or at the expiration of any suspension period set by the Commission. Additionally, pursuant to Section 154.7(a)(7) of the Commission's regulations, EEC respectfully requests that the Commission grant all necessary waivers in order to effectuate this filing.

As required by Section 154.208 of the Commission's regulations, copies of this filing are being made available at EEC's offices in Birmingham, Alabama and electronically mailed or mailed to EEC's customers and interested commissions.

The names, titles, and mailing addresses of the persons to whom communications concerning this filing are to be addressed and to whom service is to be made are as follows:

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Respectfully submitted,

ELBA EXPRESS COMPANY, L.L.C.

/s/ T. Brooks Henderson
T. Brooks Henderson
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Enclosures

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all EEC's customers and interested state commissions.

Dated at Birmingham, Alabama this 18th day of September, 2018.

/s/ T. Brooks Henderson
T. Brooks Henderson
Director – Rates
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ELBA EXPRESS COMPANY, L.L.C.

APPENDIX A

CLEAN VERSION OF TARIFF SECTIONS

SECTION 2.1

RATE SECTION
FIRM TRANSPORTATION SERVICES (FTS)

Reservation Charge (Dth)

Maximum/Maximum Including
Surcharges:

\$8.0776 / 8.0776

Minimum:

\$0.00

Maximum Daily Volumetric
Capacity Release Rates 1/

\$0.2656 / 0.2656

Transportation Charge (Dth) 2/

Maximum/Maximum Including
Surcharges:

\$0.0000 / \$0.0000

Fuel Retention:

GRO (South-to-North)	0.00%
GRO (North-to-South)	0.71%
GRO (2016 Expansion) 3/	0.87%
LAUF	0.11%

EPCA:

\$0.0000

1/ See Section 20 of the General Terms and Conditions for exceptions to these maximum capacity release rates. This rate is exclusive of the ACA surcharge.

2/ Surcharges applicable to service under Rate Schedule FTS include:

3/ Applicable to service provided pursuant to the expansion authorized under Docket No. CP14-115-000, et.al. ("2016 Expansion")

ACA Surcharge: See Section 24 of the General Terms and Conditions.

SECTION 2.2

RATE SECTION

INTERRUPTIBLE TRANSPORTATION SERVICE (ITS)

Transportation Charge (Dth) 1/

Maximum/Maximum Including
Surcharges:

\$0.2656 / 0.2656

Minimum:

\$0.00

Fuel Retention:

GRO (South-to-North)	0.00%
GRO (North-to-South)	0.71%
LAUF	0.11%

EPCA: \$0.0000

1/ This rate is exclusive of the ACA surcharge.

2/ Surcharges applicable to service under Rate Schedule ITS include:

ACA Surcharge: See Section 24 of the General Terms and Conditions.

ELBA EXPRESS COMPANY, L.L.C.

APPENDIX A

MARKED VERSION OF TARIFF SECTIONS

SECTION 2.1

RATE SECTION
 FIRM TRANSPORTATION SERVICES (FTS)

Reservation Charge (Dth)

Maximum/Maximum Including
 Surcharges:

\$8.0776 / 8.0776

Minimum:

\$0.00

Maximum Daily Volumetric
 Capacity Release Rates 1/

\$0.2656 / 0.2656

Transportation Charge (Dth) 2/

Maximum/Maximum Including
 Surcharges:

\$0.0000 / \$0.0000

Fuel Retention:

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GRO (North-to-South)	0.71%
GRO (2016 Expansion) 3/	0.87%
LAUF	0. 5 <u>11</u> %

EPCA:

\$0.0000

1/ See Section 20 of the General Terms and Conditions for exceptions to these maximum capacity release rates. This rate is exclusive of the ACA surcharge.

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2/ Surcharges applicable to service under Rate Schedule ITS include:

ACA Surcharge: See Section 24 of the General Terms and Conditions.

ELBA EXPRESS COMPANY, L.L.C.

APPENDIX B

SUPPORTING WORKPAPERS

Elba Express Company, L.L.C.

<u>Line No.</u>	<u>Description</u>	<u>Current Fuel Retention Rates</u>	<u>Proposed Fuel Retention Rates To Be Effective 11/1/18</u>	
1	GRO (South-to-North)	0.00%	0.00%	(no change)
2	GRO (North-to-South)	0.71%	0.71%	(no change)
3	GRO (2016 Expansion)	0.87%	0.87%	(no change)
4	LAUF	0.51%	0.11%	1/

1/ See Schedule 2 and Schedule 3 for support.

Appendix B
Schedule 2

Elba Express Company, L.L.C.
Fuel Deferred Account Balance
For LAUF

<u>Line No.</u>	<u>Month</u>	<u>Fuel Retained for LAUF</u> (A) (dth)	<u>Actual LAUF</u> '(B) (dth)	<u>(Under) / Over Recovery</u> (C)=(A)-(B) (dth)	<u>Monthly Index Price</u> '(D)	<u>Monetary Value of (Under) / Over Recovery</u> (E)=C X D
1	Mar-18	81,198	16,489	64,709	\$2.66	\$ 172,125.94
2	Apr-18	85,085	(3,768)	88,853	\$2.69	\$ 239,014.57
3	May-18	150,165	79,264	70,901	\$2.78	\$ 197,104.78
4	Jun-18	84,937	64,618	20,319	\$2.91	\$ 59,128.29
5	Jul-18	85,475	80,610	4,865	\$2.82	\$ 13,719.30
6	Aug-18	87,900	93,966	(6,066)	\$2.92	\$ (17,712.72)
7	Total	574,760	331,179	243,581		\$ 663,380.16

Elba Express Company, L.L.C.
LAUF Analysis

<u>Line No.</u>		Actuals						Projected 1/					
		<u>3/18</u> (dth)	<u>4/18</u> (dth)	<u>5/18</u> (dth)	<u>6/18</u> (dth)	<u>7/18</u> (dth)	<u>8/18</u> (dth)	<u>9/18</u> (dth)	<u>10/18</u> (dth)	<u>11/18</u> (dth)	<u>12/18</u> (dth)	<u>1/19</u> (dth)	<u>2/19</u> (dth)
1	EEC Total Receipt Vols	9,785,444	10,253,233	18,095,401	16,640,816	16,758,280	17,232,940	16,758,280	16,758,280	16,758,280	16,758,280	16,758,280	16,758,280
2	LAUF Tariff Retention Rate	0.83%	0.83%	0.83%	0.51%	0.51%	0.51%	0.51%	0.51%	0.11%	0.11%	0.11%	0.11%
3	LAUF Fuel Retained 2/	81,198	85,085	150,165	84,937	85,475	87,900	85,475	85,475	18,434	18,434	18,434	18,434
4	Actual LAUF	<u>(16,489)</u>	<u>3,768</u>	<u>(79,264)</u>	<u>(64,618)</u>	<u>(80,610)</u>	<u>(93,966)</u>	<u>(80,610)</u>	<u>(80,610)</u>	<u>(80,610)</u>	<u>(80,610)</u>	<u>(80,610)</u>	<u>(80,610)</u>
5	Net (under-recovery)/over-recovery	64,709	88,853	70,901	20,319	4,865	(6,066)	4,865	4,865	(62,176)	(62,176)	(62,176)	(62,176)
6	Cumulative (under-recovery)/over-recovery	64,709	153,562	224,463	244,782	249,647	243,581	248,446	253,311	191,135	128,959	66,783	4,607

1/ Used July 2018 actuals for receipt volumes and LAUF amounts since this month represented likely outcome for projected months

2/ Due to daily rounding, does not exactly equal line 1 x line 2