

MIDCONTINENT EXPRESS PIPELINE LLC

February 28, 2023

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

Re: Midcontinent Express Pipeline LLC
Annual Cashout Filing
Docket No. RP23-

Dear Ms. Bose:

Enclosed is the annual cashout filing of Midcontinent Express Pipeline LLC (MEP). This filing is being made pursuant to Section 10.9 of the General Terms and Conditions (GT&C) of MEP's FERC Gas Tariff and is based upon the twelve-month period ending December 31, 2022 (Annual Cashout Period). Under the above referenced GT&C Section 10.9, MEP is to make a filing at least thirty days in advance of April 1 to establish the refund or surcharge rate to be applied beginning on April 1. MEP files the following revised tariff sheet to its Gas Tariff to be effective April 1, 2023:

First Revised Volume No. 1

Fourth Revised Sheet No. 10

Nature, Basis and Reasons for Proposed Tariff Changes

Section 10.9 was approved by the Federal Energy Regulatory Commission (FERC) on August 31, 2020 (Docket Number RP20-1059)¹. As detailed therein, following each Annual Cashout Period, MEP shall calculate a surcharge rate or refund rate to be determined by dividing the Net Cashout Balance² by the sum of the quantities received under firm and interruptible transportation rate schedules (Rate Schedules FTS and ITS) during the most recent Annual Cashout Period. If this calculation results in a negative rate, then it will be a surcharge rate. If this calculation results in a positive rate, then it will be a refund rate.

Beginning each April 1 following the Annual Cashout Period, MEP shall apply the surcharge rate or refund rate to the then current quantities received each month under Rate Schedules FTS and ITS (quantities received will have the surcharge rate or refund rate applied only once even if transported to and from a pool or across more than one zone). The monthly surcharge amounts collected or refund amounts paid by MEP shall be accounted for as revenues

¹ *Midcontinent Express Pipeline LLC*, 172 FERC ¶ 61,185 (2020)

² Net Cashout Balance is defined in section 10.9 (a) of MEP's GT&C.

received (positive amount) or costs incurred (negative amount), respectively, and such amounts will be included in the determination of the Net Cashout Balance.

Instant Filing

As set forth on Schedule 1 of Appendix B, MEP's Net Cashout Balance for the Annual Cashout Period ended December 31, 2022 is a negative (\$97,640.38) and therefore reflects a surcharge amount. As detailed on Schedule 1 of Appendix B, this balance is comprised of the total cashout activity for the twelve months ended December 2022 of \$144,576.92, purchases and sales of gas for system management purposes to balance the net cashout activity of (\$59,850.00), other Operational Balancing Agreements (OBA) charges of (\$268,332.86), and a deferred cashout balance of \$85,965.56. The resulting Net Cashout Balance of (\$97,640.38) is below the \$(100,000) threshold required to establish a surcharge rate under GT&C Section 10.9. The resulting balance will thus be carried forward to the next period, therefore generating a surcharge rate of \$.0000 per Dth proposed to be effective April 1, 2023.

Procedural Matters

Pursuant to the applicable provisions of Part 154.7 of the FERC's regulations, MEP submits an eTariff XML filing surcharge, filed as a zip (compressed) file, containing:

1. This transmittal letter;
2. A Certificate of Service;
3. Appendix A, containing clean and marked tariff versions of the tariff sections in PDF format; and
4. Appendix B, containing supporting workpapers for Appendix A.

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

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
February 28, 2023
Page 3

MEP requests that all FERC orders and correspondence as well as pleadings and correspondence by other parties concerning this filing be served on the following:

M. Catherine Rezendes
Director – Rates
Midcontinent Express Pipeline LLC
Post Office Box 2563
Birmingham, Alabama 35202-2563
(719) 520-4743
Mary_Rezendes@kindermorgan.com

Karen Ferazzi
Assistant General Counsel
Midcontinent Express Pipeline LLC
1001 Louisiana Street, Suite 1000
Houston, TX 77002
(713) 369-9354
Karen_Ferazzi@kindermorgan.com

MEP also requests that copies be sent to:

Michael T. Langston
VP & Chief Regulatory Officer
Energy Transfer Partners
1300 Main Street,
Houston, TX 77002
(713) 989-7610
michael.langston@energytransfer.com

Pursuant to 18 CFR § 154.4(b) and § 385.2005 (a)(2) of the Commission's regulations, the undersigned, having full power and authority to execute this filing, has read this filing and knows its contents, and the contents are true as stated, to the best knowledge and belief of the undersigned.

Very truly yours,

/s/ M. Catherine Rezendes
M. Catherine Rezendes
Director – Rates
Midcontinent Express Pipeline LLC

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all customers of Midcontinent Express Pipeline LLC and all interested state commissions.

Dated at Birmingham, Alabama, this 28th day of February, 2023.

/s/ M. Catherine Rezendes
M. Catherine Rezendes
Director – Rates
Midcontinent Express Pipeline LLC

Appendix A

CURRENTLY EFFECTIVE RATES
(RATES PER DTH)

	<u>Rates Per Dth</u>	
	<u>Maximum</u>	<u>Minimum</u>
<u>PALS - Interruptible Park and Loan Service</u>		
<u>Zone 1</u>		
Section 5.1 Usage Charge	\$0.3476	\$0.0031
Authorized Overrun Usage Charge	\$0.3476	\$0.0031
<u>Zone 2</u>		
Section 5.1 Usage Charge	\$0.3375	\$0.0012
Authorized Overrun Usage Charge	\$0.3375	\$0.0012
<u>IBS - Interruptible Balancing Service</u>		
<u>Zone 1</u>		
Daily Access Rate	\$0.3476	\$0.0031
Authorized Overrun Daily Access Rate	\$0.3476	\$0.0031
<u>Zone 2</u>		
Daily Access Rate	\$0.3375	\$0.0012
Authorized Overrun Daily Access Rate	\$0.3375	\$0.0012
<u>Cashout Surcharge Rate ¹</u>		
Cashout Surcharge Rate	\$0.0000	\$0.0000

¹ This surcharge is applied to Rate Schedules FTS and ITS on volumes transported in accordance with Section 10.9 of the General Terms and Conditions.

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(RATES PER DTH)

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Daily Access Rate	\$0.3375	\$0.0012
Authorized Overrun Daily Access Rate	\$0.3375	\$0.0012
<u>Cashout Surcharge Rate ¹</u>		
Cashout Surcharge Rate	(\$0.000011)	(\$0.000011)

¹ This surcharge is applied to Rate Schedules FTS and ITS on volumes transported in accordance with Section 10.9 of the General Terms and Conditions.

Appendix B

Midcontinent Express Pipeline LLC
Calculation of Net Cashout Balance and Surcharge
January 1, 2022 through December 31, 2022

Line No	Month	Shipper's	OBA	Total	Calculation of
		Imbalance	Imbalance	Imbalance	Net
	(a)	Dth	Dth	Dth	Cash-Out
		(b)	(c)	(d)	Balance <u>1/</u>
					(e)
1	Jan-22	5,171	(2,354)	2,817	\$29,344.11
2	Feb-22	0	(678)	(678)	(\$3,751.37)
3	Mar-22	13	0	13	\$93.60
4	Apr-22	1,402	475	1,877	\$16,292.24
5	May-22	2,845	0	2,845	\$22,705.94
6	Jun-22	15	(598)	(583)	(\$4,929.00)
7	Jul-22	448	0	448	\$5,377.66
8	Aug-22	(887)	(7,351)	(8,238)	(\$95,085.61)
9	Sep-22	102	7,445	7,547	\$70,892.08
10	Oct-22	23	5,546	5,569	\$36,441.27
11	Nov-22	4,035	5,504	9,539	\$54,943.65
12	Dec-22	1,211	433	1,644	\$12,252.35
13	Total Cashout Amount	14,378	8,422	22,800	\$144,576.92
14	Purchases of Gas for System Management			(21,000)	(\$59,850.00)
15	Sales of Gas for System Management			0	\$0.00
16	Net Cashout Balance Before Other OBA Charges			1,800	\$84,726.92
17	<u>Other OBA Charges/Credits <u>2/</u></u>				
18	Jan-22				(\$24,615.60)
19	Feb-22				(\$22,282.94)
20	Mar-22				(\$24,068.67)
21	Apr-22				(\$21,254.48)
22	May-22				(\$23,138.51)
23	Jun-22				(\$23,397.92)
24	Jul-22				(\$23,533.24)
25	Aug-22				(\$22,639.58)
26	Sep-22				(\$20,704.46)
27	Oct-22				(\$20,688.26)
28	Nov-22				(\$21,180.51)
29	Dec-22				(\$20,828.69)
30	Total Other OBA Charges				(\$268,332.86)
31	Total Current Cashout Balance				(\$183,605.94) <u>3/</u>
32	Deferred Cashout Balance				\$85,965.56 <u>4/</u>
33	Net Cashout Balance				(\$97,640.38)
34	Volumes Received under Rate Schedule FTS and ITS				495,679,164 <u>5/</u>
35	Cashout Surcharge Rate				\$0.0000 <u>6/</u>

1/ Negative amounts reflect dollars paid by MEP; positive amounts reflect dollars received by MEP.

2/ Pertains to OBA charges from Transco Pipeline.

3/ Cashout balance to surcharge from current period activity.

4/ The total deferred cashout balance to credit customers at 12/31/2022. See Appendix B, Schedule 3.

5/ See Appendix B, Schedule 2.

6/ No cashout surcharge since the Net Cashout Balance is less than (\$100,000.00). The amount will be deferred to the following year pursuant to Section 10.9 of the GT&C.

Midcontinent Express Pipeline LLC
Volumes Received Under Rate Schedules FTS and ITS 1/

<u>Line No</u>	<u>Month</u>	<u>(DTH)</u>
1	Jan-22	40,432,441
2	Feb-22	34,605,765
3	Mar-22	42,909,666
4	Apr-22	43,468,675
5	May-22	42,371,583
6	Jun-22	37,919,239
7	Jul-22	41,867,868
8	Aug-22	41,434,054
9	Sep-22	40,814,114
10	Oct-22	40,245,372
11	Nov-22	43,992,565
12	Dec-22	<u>45,617,822</u>
13	Total	495,679,164

1/ The quantities above exclude quantities transported to and from a pool or across more than one zone, so that the refund or surcharge rate is applied only once.

Midcontinent Express Pipeline LLC
Cashout Surcharge Reconciliation Deferred Account

Line No	Month	Amount <u>1/</u>	
1	Deferred Balance on 12/31/21	\$501,470.03	<u>2/</u>
2	<u>Amounts Refunded</u>		
3	Jan-22	\$0.00	
4	Feb-22	\$0.00	
5	Mar-22	\$0.00	
6	Apr-22	(\$47,815.54)	
7	May-22	(\$46,608.74)	
8	Jun-22	(\$41,711.18)	
9	Jul-22	(\$46,054.61)	
10	Aug-22	(\$45,577.47)	
11	Sep-22	(\$44,895.52)	
12	Oct-22	(\$44,269.91)	
13	Nov-22	(\$48,391.81)	
14	Dec-22	<u>(\$50,179.69)</u>	
15	Total Amounts Refunded	(\$415,504.47)	
16	Deferred Balance on 12/31/22 (line 1 + line 15)	\$85,965.56	<u>3/</u>

1/ Negative amounts reflect dollars paid by MEP; positive amounts reflect dollars received by MEP.

2/ The 2021 balance to be credited to MEP's customers (see Docket No. RP22-553).

3/ The refund amount remaining that is owed to customers at 12/31/22.