

MIDCONTINENT EXPRESS PIPELINE LLC

February 29, 2024

Ms. Debbie-Anne Reese, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Midcontinent Express Pipeline LLC
Out-of-Cycle Rate Adjustment Filing
Docket No. RP24-

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act (“NGA”), Part 154 of the regulations of the Federal Energy Regulatory Commission (“Commission” or “FERC”), Midcontinent Express Pipeline LLC (“MEP”) hereby submits for filing and acceptance the following tariff record to its FERC Gas Tariff, First Revised Volume No. 1 (“Tariff”). The revised Tariff record implements an adjustment to the System Haul Unaccounted For Gas (“UAF”) Gas Reimbursement Percentage, proposed to be effective April 1, 2024.

Sheet Name	Version
Revised Sheet No. 12	30.0.0

Statement of Nature, Reasons, and Basis

Section 36 of the General Terms and Conditions (“GT&C”) of MEP’s Tariff sets forth the rate adjustment provisions for the recovery by MEP of Fuel Gas, UAF Gas, and Booster Compression Fuel, effective semiannually on each June 1 and December 1. The UAF Gas Reimbursement Percentage is derived by adding the Current Component (as defined in Section 36.4 of the GT&C) and the Deferred Component (as defined in Section 36.5 of the GT&C). The Current Component is intended to recover UAF Gas during a six-month period commencing on the effective date of the proposed fuel redetermination (“Recovery Period”) based on UAF Gas incurred by MEP during a six (6) month period ended two (2) months before the commencement of the Recovery Period (“Base Period”). Similarly, the Deferred Component is intended to recover, during the Recovery Period, the balance in the UAF Gas deferred subaccount as of the end of the Base Period.

Since 2021, MEP has experienced a UAF “gain” each month. As such, in its filings beginning and since its semiannual adjustment in Docket No. RP21-742, MEP determined a negative UAF retention rate. In its last UAF update filing, MEP established a UAF rate of (0.314%).¹ Since this last filing, which was filed on October 25, 2023 and included a six-month Base Period ending August 31, 2023, MEP has experienced a substantial and sustained reduction in the UAF gain.

The purpose of the instant filing is to establish a revised UAF Gas Reimbursement Percentage commencing on April 1, 2024 and remaining in effect until its next semiannual adjustment that will go into effect on June 1, 2024.² This out-of-cycle rate adjustment is intended to reduce the UAF under-collections that MEP has been experiencing due to the reduction in the UAF gain which, if left unchecked, may cause operational issues on the MEP system and create an even larger carry-forward under-collection balance to be trued-up in prospective fuel retention adjustment filings. Additionally, large UAF over or under-collections create physical imbalances that MEP must manage on a daily basis. Because MEP has limited line-pack and no storage facilities to manage these large imbalances, it must revert to gas purchases and/or sales activities to manage the physical balance on its system. The economic impact of such gas purchases and sales is ultimately borne by the shippers on MEP’s system.³ This out-of-cycle adjustment to the UAF rates is also intending to minimize that impact.

Since this filing will have an effective date of April 1, 2024, MEP respectfully requests that the Commission grant MEP a waiver of Section 36.3 of the GT&C of its Tariff to allow MEP to establish an out-of-cycle adjustment to its UAF Gas Reimbursement Percentage effective on April 1, 2024. The UAF Gas Reimbursement Percentage proposed in the instant filing would remain in effect until May 31, 2024. Consistent with Section 36 of the GT&C of its Tariff, MEP will file a revised UAF Gas Reimbursement Percentage to be effective June 1, 2024.

The proposed UAF Gas Reimbursement Percentage to be effective on April 1, 2024 is summarized below. Appendix C includes the calculations supporting the proposed reimbursement percentage.

¹ See Docket No. RP24-56-000.

² Although MEP is proposing a new rate for a two-month recovery period beginning April 1, 2024, MEP is determining the rate based on the calculation methodology contained in GT&C Section 36 of its Tariff, which is based on a six-month recovery period and including a six-month Base Period ending January 31, 2024. In other words, MEP is not proposing to alter the calculation methodology to recover the under-collected UAF balance over two months. Rather, it is proposing that it establishes a revised rate for April and May that in order to begin recovery of the under-collected balance that will continue with its semiannual filing effective for June 1, 2024.

³ GT&C Section 10.6 of the Tariff provides that MEP may purchase and/or sell gas to, among other things, “maintain System pressure” and “balance the system as necessary to assure MEP's ability to perform and to continuing performing firm service[.]” The purchase and sale activities are included in the Net Cashout Balance pursuant to GT&C Section 10.9(a) of the Tariff and are, ultimately, included in the determination of a surcharge or credit applicable to prospective deliveries.

Applicable Transportation	Currently Effective UAF Rates (Effective Dec 1, 2023)	Proposed UA Rates (Effective Apr 1, 2024)
Current Component	(0.312%)	(0.082%)
Deferred Component	(0.002%)	0.251%
Total UAF Percentage	(0.314%)	0.169%

Procedural Matters

MEP respectfully requests any waivers of the Commission's regulations, to the extent necessary, as well as a waiver of Section 36.3 of the GT&C of its Tariff to permit the proposed tariff record to become effective April 1, 2024.

Materials Enclosed

In accordance with 18 C.F.R. Part 154.7(a)(1) of the Commission's regulations, MEP submits an XML filing package containing:

1. This transmittal letter;
2. The Certificate of Service;
3. The tendered tariff record in Appendix A;
4. The marked tariff record in Appendix B; and
5. Calculations supporting the UAF Reimbursement Percentages in Appendix C.

Service

The undersigned certifies that a copy of this filing has been served pursuant to 18 C.F.R. § 154.208 on MEP's customers and interested state regulatory commissions.

Communications

Correspondence and communications concerning this filing should be sent to each of the following persons and that each should be included on the Commission's service list for this filing:

Ryan Leahy
Director, Regulatory
Midcontinent Express Pipeline LLC
Post Office Box 2563
Birmingham, AL 35202-2563
(205) 325-7105
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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.

Respectfully Submitted,

/s/ Ryan Leahy
Ryan Leahy
Director, Regulatory
Midcontinent Express Pipeline LLC
P.O. Box 2563
Birmingham, Alabama 35202-2563
(205) 325-7105
Ryan_Leahy@kindermorgan.com

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 29th day of February 2024.

/s/ Ryan Leahy
Ryan Leahy
Director, Regulatory
Midcontinent Express Pipeline LLC
P.O. Box 2563
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(205) 325-7105
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APPENDIX A

Clean Tariff Record

CURRENTLY EFFECTIVE REIMBURSEMENT PERCENTAGES
(%)

Percentage

**REIMBURSEMENT PERCENTAGES FOR FUEL GAS
AND UNACCOUNTED FOR GAS: 1/**

Zone 1 - Fuel Gas 2/	.936%
Zone 2 - Fuel Gas 3/	.287%
System Haul Unaccounted For Gas 4/	.169%
Booster Compression Incremental Fuel Percentage:	
Current Reimbursement	.451%
Deferred Reimbursement	<u>.240%</u>
Total Booster Compression Incremental Percentage 5/	.691%

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- 1/ Fuel Gas charges will not be assessed for any transportation involving all or any portion of the path between Bennington and the interconnection with Natural or with a subsidiary of ETP near Natural's Compressor Station No. 802. Additionally, Fuel Gas charges will not be assessed for any transportation that represents a physical backhaul.
- 2/ Zone 1 - Fuel Gas - Current .867%
 Deferred .069%
 Total .936%
- 3/ Zone 2 - Fuel Gas - Current .290%
 Deferred (.003)%
 Total .287%
- 4/ In addition to the fuel gas percentage, Shippers will be charged .169% per Dth which represents System Haul Unaccounted For Gas regardless of the receipt or delivery point.
- 5/ For the Booster Compression installed in Richland Parish, Louisiana.

APPENDIX B

Marked Tariff Record

CURRENTLY EFFECTIVE REIMBURSEMENT PERCENTAGES
(%)

Percentage

**REIMBURSEMENT PERCENTAGES FOR FUEL GAS
AND UNACCOUNTED FOR GAS: 1/**

Zone 1 - Fuel Gas 2/	.936%
Zone 2 - Fuel Gas 3/	.287%
System Haul Unaccounted For Gas 4/	.169 (.314)%
Booster Compression Incremental Fuel Percentage:	
Current Reimbursement	.451%
Deferred Reimbursement	<u>.240%</u>
Total Booster Compression Incremental Percentage 5/	.691%

1/ Fuel Gas charges will not be assessed for any transportation involving all or any portion of the path between Bennington and the interconnection with Natural or with a subsidiary of ETP near Natural's Compressor Station No. 802. Additionally, Fuel Gas charges will not be assessed for any transportation that represents a physical backhaul.

2/ Zone 1 - Fuel Gas - Current	.867%
Deferred	<u>.069%</u>
Total	.936%

3/ Zone 2 - Fuel Gas - Current	.290%
Deferred	<u>(.003)%</u>
Total	.287%

4/ In addition to the fuel gas percentage, Shippers will be charged ~~-.169~~(0.314)% per Dth which represents System Haul Unaccounted For Gas regardless of the receipt or delivery point.

5/ For the Booster Compression installed in Richland Parish, Louisiana.

APPENDIX C

Fuel Calculation Support Documentation

MIDCONTINENT EXPRESS PIPELINE LLC

Fuel Gas, Unaccounted for Gas and Booster Compression Fuel

Reimbursement Percentages Summary

To be Effective for the Six Months Beginning April 1, 2024

Line No.	Details (a)	Percentages (b)
	Unaccounted For Gas (Overall System):	
1	Current Percentage 1/	(0.082)%
2	Deferred Percentage 2/	0.251%
3	Total UAF Percentage	<u>0.169%</u>

Notes:

- 1/ For details on the Current Percentage, please see Attachment A,
Page 2 of 3.
- 2/ For details on the Deferred Percentage, please see Attachment A,
Page 3 of 3.

MIDCONTINENT EXPRESS PIPELINE LLC

Fuel Gas, Unaccounted For Gas and Booster Fuel Current Percentage
To be Effective for the Six Months Beginning April 1, 2024

Line No.	Description (a)	Calculations (b)
1	Unaccounted For Gas	
2	Unaccounted For Gas 1/	(198,372)
3	Throughput 2/	242,005,422
4	Current Percentage	<u>(0.082)%</u>

Notes:

- 1/ Volumes are in Dth and are based on actuals for the period of August 1, 2023 through January 31, 2024.
See Attachment B and Attachment C, Page 2 for details.
- 2/ See Attachment B for details.

MIDCONTINENT EXPRESS PIPELINE LLC
Fuel Gas, Unaccounted for Gas and Booster Compression Fuel
Calculation of Deferred Component Summary
To be Effective for the Six Months Beginning April 1, 2024

Line No.	Details (a)	Calculations (b)
1	Unaccounted For Gas	
2	Deferred Account Balance (Dth) at 12/31/23 1/	608,114
3	Throughput 2/	242,005,422
4	Deferred Account Percentage	<u>0.251%</u>

Notes:

- 1/ See Attachment C, Page 1 for details.
- 2/ See Attachment B for details.

MIDCONTINENT EXPRESS PIPELINE LLC
Details for the Calculation of Current Component
Projected Unaccounted For Gas Details by Month (Dth)

Line No.	Month (a)	Gas (Gain)/ Loss 1/ (b)	Gas Volumes 1/ (c)
1	April 2024	(32,520)	39,673,020
2	May 2024	(33,604)	40,995,454
3	June 2024	(32,520)	39,673,020
4	July 2024	(33,604)	40,995,454
5	August 2024	(33,604)	40,995,454
6	September 2024	(32,520)	39,673,020
7	Total	(198,372)	242,005,422

Note:

1/ Volumes are based on the daily average for the period of August 1, 2023 through January 31, 2024.

MIDCONTINENT EXPRESS PIPELINE LLC
Calculation of Unaccounted For Gas Deferred Account
Base Period

Line No.	Period	Beginning Balance (Gain)/Loss (Dth) 1/	Actual Gas (Gain)/Loss (Dth) 2/	Retained Volumes (Dth) 3/	Net Monthly Results (Dth) 1/ (c - d)	Ending Balance (Gain)/Loss (Dth) 1/ (b - d + c)
	(a)	(b)	(c)	(d)	(e)	(f)
1	August 2023	(110,030)	(67,452)	(172,636)	105,184	(4,846)
2	September 2023	(4,846)	(66,492)	(165,130)	98,638	93,792
3	October 2023	93,792	(63,125)	(166,963)	103,838	197,630
4	November 2023	197,630	3,326	(156,829)	160,155	357,785
5	December 2023	357,785	(18,762)	(132,021)	113,259	471,044
6	January 2024	471,044	14,116	(122,954)	137,070	608,114

Notes:

- 1/ Negative volumes denote overcollection of fuel volumes. Positive volumes denote undercollection of fuel volumes.
- 2/ See Attachment C, Page 2 of 3.
- 3/ See Attachment C, Page 3 of 3.

MIDCONTINENT EXPRESS PIPELINE LLC
Unaccounted For Gas
Base Period

Line No.	Period	Unaccounted For (Gain)/Loss (Dth)
	(a)	(h)
1	August 2023	(67,452)
2	September 2023	(66,492)
3	October 2023	(63,125)
4	November 2023	3,326
5	December 2023	(18,762)
6	January 2024	14,116
7	Total	(198,389)

MIDCONTINENT EXPRESS PIPELINE LLC
Unaccounted For Retained Volumes
Base Period

Line No.	Period	Gas Volumes (Dth)	Unaccounted For Retention Percentage	Retained Volumes (Dth) 1/ (b x c)
	(a)	(b)	(c)	(d)
1	August 2023	41,938,745	-0.412%	(172,636)
2	September 2023	40,121,195	-0.412%	(165,130)
3	October 2023	40,565,890	-0.412%	(166,963)
4	November 2023	38,110,798	-0.412%	(156,829)
5	December 2023	42,080,702	-0.314%	(132,021)
6	January 2024	39,188,083	-0.314%	(122,954)
7	Total	242,005,413		(916,533)

1/ Total fuel retained for each line does not equal exactly volume
flow x fuel rate due to rounding. Actual fuel retained is calculated
on individual transactions.