

MIDCONTINENT EXPRESS PIPELINE LLC

March 1, 2024

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

Re: Midcontinent Express Pipeline LLC
Annual Cashout Filing and Annual Report of Operational Purchases and Sales
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 its Cashout Surcharge Rate pursuant to Section 10.9 of the General Terms and Conditions (“GT&C”) of the Tariff. In addition, enclosed is MEP’s annual report of operational purchases and sales activities pursuant to GT&C Section 10.6(c) of the Tariff.

First Revised Volume No. 1

Fifth Revised Sheet No. 10

Nature, Basis, and Reasons for Proposed Tariff Changes

As detailed in GT&C Section 10.9 of the Tariff, following each twelve-month period ending in December (“Annual Cashout Period”), if the Net Cashout Balance¹ is greater than or equal to \$100,000, positive or negative, MEP shall calculate a surcharge or refund rate to be determined by dividing the Net Cashout Balance by the sum of the quantities received under firm and interruptible transportation rate schedules (Rate Schedules FTS and ITS) during the Annual Cashout Period. The resulting surcharge or refund rate will become effective on April 1 following the Annual Cashout Period. If the Net Cashout Balance is less than \$100,000, positive or negative, the balance will be carried forward to the subsequent Annual Cashout Period and no surcharge or refund rate will be applicable.

As detailed on Schedule 1 of Appendix B, MEP’s Net Cashout Balance for the Annual Cashout Period ending December 31, 2023 is a negative (\$370,331.25) and, therefore, reflects a surcharge amount. The Cashout Surcharge Rate is derived by dividing the Net Cashout Balance by quantities received under rate schedules FTS and ITS during Annual Cashout Period, as an estimate of the prospective quantities to which the surcharge would be applicable. This generates

¹ Net Cashout Balance is defined in section 10.9 (a) of MEP’s GT&C.

a surcharge rate of \$0.0008/Dth proposed to be effective April 1, 2024. Schedules 1, 2, and 3 of Appendix B provide support for the derivation of the surcharge.

Also, Section 10.6(c) of the GT&C of the Tariff requires MEP to file an annual report on operational purchases and sales of gas within 90 days of the end of each calendar year, indicating the source of the gas, date of the purchase or sale, volumes, purchase or sale price, costs and revenues from the purchase or sale, and the disposition of the resulting costs and revenues, which are included in the Net Cashout Balance and, therefore, is being filed as a part of the Annual Cashout Filing. The operational purchase and sale activities are reported in Schedule 4 of Appendix B.

Procedural Matters

Pursuant to the applicable provisions of Part 154.7 of the FERC's regulations, MEP submits an XML filing package containing:

1. This transmittal letter;
2. The 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 the Cashout Surcharge Rate as well as the operational purchases and sales report.

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.

Ms. Debbie-Anne Reese, Secretary
Federal Energy Regulatory Commission
March 1, 2024
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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:

Ryan Leahy
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Post Office Box 2563
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(205) 325-7105
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Assistant General Counsel
Midcontinent Express Pipeline LLC
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Houston, TX 77002
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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 1st day of March, 2024.

/s/ Ryan Leahy
Ryan Leahy
Director, Regulatory
Midcontinent Express Pipeline LLC
P.O. Box 2563
Birmingham, Alabama 35202-2563
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Appendix A

CURRENTLY EFFECTIVE RATES
(RATES PER DTH)

	Rates Per Dth	
	<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	\$0.0008	\$0.0008

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.

CURRENTLY EFFECTIVE RATES
(RATES PER DTH)

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		<u>Maximum</u>	<u>Minimum</u>
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Section 5.1 Usage Charge		\$0.3476	\$0.0031
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Section 5.1 Usage Charge		\$0.3375	\$0.0012
Authorized Overrun Usage Charge		\$0.3375	\$0.0012
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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. 00000008	\$0. 00000008

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, 2023 through December 31, 2023

Line No	Month	Shipper's Imbalance Dth	OBA Imbalance Dth	Total Imbalance Dth	Calculation of Net Cash-Out Balance <u>1/</u>
	(a)	(b)	(c)	(d)	(e)
1	Jan-23	13	0	13	\$96.20
2	Feb-23	21,817	731	22,548	\$83,170.84
3	Mar-23	5,487	949	6,436	\$23,070.38
4	Apr-23	(1,263)	0	(1,263)	\$9,074.12
5	May-23	49,274	0	49,274	\$143,744.41
6	Jun-23	39,203	0	39,203	\$121,101.21
7	Jul-23	733	0	733	\$2,321.27
8	Aug-23	382	0	382	\$1,222.09
9	Sep-23	29,644	0	29,644	\$85,358.67
10	Oct-23	(3,272)	(3,339)	(6,611)	(\$15,580.42)
11	Nov-23	94	0	94	\$362.17
12	Dec-23	101	0	101	\$346.25
13	Total Cashout Amount	142,213	(1,659)	140,554	\$454,287.19
14	Purchases of Gas for System Management			(145,200)	(\$342,360.00)
15	Sales of Gas for System Management			0	\$0.00
16	Total Purchases/Sales of Gas for System Management			(145,200)	(\$342,360.00) <u>3/</u>
17	Net Cashout Balance Before Other OBA Charges			(4,646)	\$111,927.19
18	<u>Other OBA Charges/Credits <u>2/</u></u>				
19	Jan-23				(\$21,804.34)
20	Feb-23				(\$18,825.17)
21	Mar-23				(\$20,051.34)
22	Apr-23				(\$19,473.88)
23	May-23				(\$20,432.07)
24	Jun-23				(\$17,832.04)
25	Jul-23				(\$20,830.33)
26	Aug-23				(\$21,533.36)
27	Sep-23				(\$20,635.80)
28	Oct-23				(\$21,654.64)
29	Nov-23				(\$20,762.44)
30	Dec-23				(\$22,350.13)
31	Total Other OBA Charges				(\$246,185.54)
32	Rollover from Prior Year				(\$183,605.94) <u>4/</u>
33	Total Current Cashout Balance				(\$317,864.29) <u>5/</u>
34	Deferred Cashout Balance				(\$52,466.96) <u>6/</u>
35	Net Cashout Balance				(\$370,331.25)
36	Quantities Received under Rate Schedule FTS and ITS				490,955,588 <u>7/</u>
37	Cashout Surcharge Rate (Refund Rate)				\$0.0008 <u>8/</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/ Pursuant to Section 10.6 of the GT&C, MEP's Annual Report on Operational Purchases and Sales is included in Appendix B, Schedule 4.

4/ Due to last year's balance, the entire cashout total in RP23-497 was rolled forward into the current year in accordance with Section 10.9 of the GT&C.

5/ Cashout balance from current period activity.

6/ The total deferred cashout balance at 12/31/2022. See Appendix B, Schedule 2.

7/ See Appendix B, Schedule 3.

8/ Surcharge is a positive rate since total cashout balance is a negative amount and reflects undercollection not received by MEP and thus owed to MEP.

Midcontinent Express Pipeline LLC
Cashout Surcharge Reconciliation Deferred Account

Line No	Month	Amount <u>1/</u>	
1	Deferred Balance on 12/31/22	\$85,965.56	<u>2/</u>
2	<u>Amounts Refunded</u>		
3	Jan-23	(\$48,892.59)	
4	Feb-23	(\$41,877.82)	
5	Mar-23	(\$47,662.11)	
6	Apr-23	\$0.00	
7	May-23	\$0.00	
8	Jun-23	\$0.00	
9	Jul-23	\$0.00	
10	Aug-23	\$0.00	
11	Sep-23	\$0.00	
12	Oct-23	\$0.00	
13	Nov-23	\$0.00	
14	Dec-23	\$0.00	
15	Total Amounts Refunded	(\$138,432.52)	
16	Deferred Balance on 12/31/22	(\$52,466.96)	<u>3/</u>

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

2/ The 2022 balance to be refunded to MEP's customers per RP23-497.

3/ The remaining deferred balance that is owed to MEP as of 12/31/23.

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

Line No	Month	(DTH)
1	Jan-23	44,447,806
2	Feb-23	38,070,725
3	Mar-23	43,329,206
4	Apr-23	39,607,729
5	May-23	41,272,204
6	Jun-23	39,269,408
7	Jul-23	42,848,080
8	Aug-23	41,908,721
9	Sep-23	40,003,326
10	Oct-23	40,413,328
11	Nov-23	37,919,348
12	Dec-23	41,865,707
13	Total	490,955,588

1/ Excludes 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
Operational Purchases & Sales Detail
For Activity From January - December 2023

Line	Date of Transaction (Delivery Month) (a)	Net Cashout Balance Period	Quantity (Purchased)/Sold (Dth) (b)	Average Unit Price (\$/Dth) (c)	(Cost)/Revenue (d)	Disposition (e)	Source/Counterparty (f)	Explanation of Purpose (g)	
1	January 2023	2022	(21,000)	\$2.850	(\$59,850.00)	Purchase	Tenaska Marketing Ventures	Purchase of gas to replace OBA and Transport Cashout for December 2022 activity	<u>1/</u>
2	Total January 2023		(21,000)	\$2.850	(\$59,850.00)				
3	April 2023	2023	(24,000)	\$2.000	(\$48,000.00)	Purchase	Tenaska Marketing Ventures	Purchase of gas to replace OBA and Transport Cashout	
4	Total April 2023		(24,000)	\$2.000	(\$48,000.00)				
5	August 2023	2023	(94,200)	\$2.500	(\$235,500.00)	Purchase	Southwest Energy, L.P.	Purchase of gas to replace OBA and Transport Cashout	
6	Total August 2023		(94,200)	\$2.500	(\$235,500.00)				
7	January 2024	2023	(27,000)	\$2.180	(\$58,860.00)	Purchase	Southwest Energy, L.P.	Purchase of gas to replace OBA and Transport Cashout for December 2023 activity	<u>2/</u>
8	Total January 2024		(27,000)	\$2.180	(\$58,860.00)				
9	Total Activity for 2023 Cashout Period		(145,200)	\$2.358	(\$342,360.00)				

1/ January 2023 transaction was included in the 2022 Net Cashout Balance (RP23-497), as it pertained to calendar year 2022.

2/ January 2024 transaction is being included in the calendar year 2023 Net Cashout Balance, since it was related to 2023 cashout activity.