



Southern LNG
Company, L.L.C.
a Kinder Morgan company

October 25, 2018

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

Re: Southern LNG Company, L.L.C.
Docket No. RP19-_____
Electric Power Cost Adjustments

Dear Ms. Bose:

Southern LNG Company, L.L.C. (“SLNG”) files the following revised sections to its FERC Gas Tariff to become effective December 1, 2018:

Section 2.1, LNG-1 Rates, Version 20.0.0
Section 2.2, LNG-2 Rates, Version 20.0.0
Section 2.3, LNG-3 Rates, Version 21.0.0

The above revised sections increase the rate for the Electric Power Cost Charge (“EPCC”) from \$0.0933 to \$0.2199 per dekatherm (“Dth”) of deliveries and decrease the K-6 Boil Off Compressor Electric Power Cost Charge (“K-6 Charge”) from \$0.1365 to \$0.0825 per Dth of compressor volume.

Nature, Basis and Reasons for the Proposed Tariff Changes

The proposed tariff sections comply with Section 4.24 of SLNG’s Tariff¹ and update the EPCC for firm and interruptible service and update the K-6 Charge. The EPCC is applied to the variable redelivery service at the Elba Island liquefied natural gas (“LNG”) terminal. SLNG adds the EPCC to each Dth of regasified LNG scheduled for customers’ accounts. The EPCC recovers the cost to SLNG of electricity purchased from the utility to operate the LNG terminal (excluding electric costs associated with the K-6 boil off compressor). The K-6 Charge is applied to the K-6 boil off compressor volumes to recover the electric costs associated with the K-6 boil off compressor.

¹ Specifically, Section 24.2 of the General Terms and Conditions of SLNG’s tariff.

EPCC Overview

The current EPCC became effective on December 1, 2017 as filed on October 26, 2017 and approved by the Letter Order dated November 28, 2017 in Docket No. RP18-58. Schedule 1 shows the total costs and billing units to calculate the proposed rate. Schedule 2 shows the calculation of the deferred account balance. The major reason for the proposed increase in the EPCC rate from \$0.09333 to \$0.2199 is due the deferred account changing from an overcollection balance of (\$541,131) in last year's filing to an undercollection balance of \$271,195 in this year's filing.

Schedule 2 provides the calculation of the deferred account balance utilized in Schedule 1. It reflects over the annual period that \$729,050 of revenues have been collected vs. \$1,552,724 of power expenses. Combining this net undercollection of \$823,674 with the beginning balance in the deferred account of an overcollection of \$541,131 and the associated interest of (\$11,348) results in an undercollection of \$271,195 recorded in the deferred account.

Schedule 1 shows the calculation of the proposed EPCC Charge. The projected annual electric cost is \$1,552,244. This electric cost is then increased by the deferred account balance of \$271,195 to derive a total cost of \$1,823,439. This total cost is then divided by the projected sendout billing units of 8,292,635 Dth to derive the proposed EPCC Charge of \$0.2199.

K-6 Charge Overview

The current K-6 Charge became effective on December 1, 2017 as filed on October 26, 2017 and approved by the Letter Order dated November 28, 2017 in Docket No. RP18-58. Schedule 3 shows the total costs and billing units to calculate the proposed rate. Schedule 4 shows the calculation of the deferred account balance. The major reason for the proposed decrease in the K-6 charge from \$0.1365 to \$0.0825 is due mainly to the change in the deferred account balance from an overcollection of (\$39,810) to a larger overcollection of (\$70,662).

Schedule 4 provides the calculation of the deferred account balance utilized in Schedule 3. It reflects over the annual period that \$260,199 of revenues have been collected vs. \$220,389 of electric costs for the K-6 boil off compressor. Combining this net overcollection of \$39,810 with the beginning balance in the deferred account of an overcollection of \$28,603 and the associated interest of (\$2,249) results in an overcollection of \$70,662 recorded in the deferred account.

Schedule 3 shows the calculation of the proposed K-6 Charge. The projected annual electric cost for the K-6 compressor is \$220,230. This amount is decreased by the deferred account balance of (\$70,662) to derive a total cost of \$149,568. This total cost is then divided by the projected K-6 compressor volumes of 1,812,538 Dth to derive the proposed K-6 Charge of \$0.0825.

Ms. Kimberly D. Bose

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Procedural Matters

Pursuant to the applicable provisions of Section 154.7 of the Commission's regulations, SLNG submits the following eTariff XML filing package, filed as a zip (compressed) file, containing:

1. A transmittal letter;
2. Clean and marked versions of the tariff sections in PDF format;
3. Schedules 1-4, containing worksheets in PDF format for the EPCC and K-6 Charge.

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

The name, title, and mailing address of the person to whom communications concerning this filing are to be addressed and on whom service is to be made is as follows:

T. Brooks Henderson
Director – Rates and Regulatory
Southern LNG Company, L.L.C.
Post Office Box 2563
Birmingham, Alabama 35202-2563
(205) 325-3843

Respectfully submitted,

SOUTHERN LNG COMPANY, L.L.C.

/s/ T. Brooks Henderson
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Enclosures

CERTIFICATE OF SERVICE

I hereby certify that I have served by electronic mail the foregoing document upon all customers and interested state commissions this 25th day of October, 2018.

/s/ T. Brooks Henderson

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PROPOSED TARIFF SHEETS

SECTION 2.1

LNG-1 RATES
 FIRM TERMINAL SERVICE

	Maximum Rate	Minimum Rate
<u>Rate Schedule LNG-1 (Firm Terminal Service)</u>		
Monthly Reservation Charge per Dth of MSQ	\$0.6712	\$0.00
Dredging Surcharge per Dth of MSQ	\$0.0459	\$0.00
<u>Additional Charges and Surcharges</u>		
1. Commodity Rate	\$0.0114/Dth of deliveries	\$0.0114/Dth of deliveries
2. Fuel (GT&C § 24.1)	Pro Rata Share	Pro Rata Share
3. Electric Power Cost Charge	\$0.2199/Dth of deliveries	\$0.2199/Dth of deliveries
3a. K-6 Boil Off Compressor Electric Power Cost Charge	\$0.0825 /Dth of gas compressed	\$0.0825/Dth of gas compressed
4. ACA Surcharge	See GT&C Section 21	See GT&C Section 21
5. K-6 Boil Off Compressor Usage Surcharge	\$0.4512/Dth of gas compressed	\$0.0000/Dth of gas compressed
Total additional charges and surcharges (excluding items 2, 3a, 4, and 5 above)	\$0.2313/Dth of deliveries	\$0.2313/Dth of deliveries

SECTION 2.2

LNG-2 RATES
 INTERRUPTIBLE TERMINAL SERVICE

<u>Rate Schedule LNG-2 (Interruptible Terminal Service)</u>	Maximum Rate	Minimum Rate
Monthly Storage Charge per Dth	\$0.6712	\$0.00
Dredging Surcharge per Dth	\$0.0459	\$0.00
<u>Additional Charges and Surcharges</u>		
1. Commodity Rate	\$0.0114/Dth of deliveries	\$0.0114/Dth of deliveries
2. Fuel (GT&C § 24.1)	Pro Rata Share	Pro Rata Share
3. Electric Power Cost Charge	\$0.2199/Dth of deliveries	\$0.2199/Dth of deliveries
3a. K-6 Boil Off Compressor Electric Power Cost Charge	\$0.0825/Dth of gas compressed	\$0.0825/Dth of gas compressed
4. ACA Surcharge	See GT&C Section 21	See GT&C Section 21
5. K-6 Boil Off Compressor Usage Surcharge	\$0.4512/Dth of gas compressed	\$0.0000/Dth of gas compressed
Total additional charges and surcharges (excluding items 2, 3a, 4, and 5 above)	\$0.2313/Dth of deliveries	\$0.2313/Dth of deliveries

SECTION 2.3

LNG-3 RATES

FIRM TERMINAL SERVICE – ELBA III

<u>Rate Schedule LNG-3 (Firm Terminal Service – Elba III)</u>	Maximum Rate	Minimum Rate
Monthly Reservation Charge per Dth of MSQ	\$0.7532	\$0.0000
Monthly Reservation Charge per Dth of MDVQ	\$2.4920	\$0.0000
Dredging Surcharge per Dth of MSQ	\$0.0459	\$0.0000
<u>Additional Charges and Surcharges</u>		
1. Electric Power Cost Charge	\$0.2199/Dth of deliveries	\$0.2199/Dth of deliveries
1a. K-6 Boil Off Compressor Electric Power Cost Charge	\$0.0825/Dth of gas compressed	\$0.0825/Dth of gas compressed
2. Commodity Rate	\$0.0114/Dth of deliveries	\$0.0114/Dth of deliveries
3. Fuel (GT&C § 24.1)	Pro Rata Share	Pro Rata Share
4. ACA Surcharge	See GT&C Section 21	See GT&C Section 21
5. K-6 Boil Off Compressor Usage Surcharge	\$0.4512/Dth of gas compressed	\$0.0000/Dth of gas compressed
Total additional charges and surcharges Per Dth of deliveries (excluding items 1a, 3, 4, and 5 above)	\$0.2313/Dth of deliveries	\$0.2313/Dth of deliveries

**MARKED VERSION OF
PROPOSED TARIFF SHEETS**

SECTION 2.1

LNG-1 RATES
 FIRM TERMINAL SERVICE

	Maximum Rate	Minimum Rate
<u>Rate Schedule LNG-1 (Firm Terminal Service)</u>		
Monthly Reservation Charge per Dth of MSQ	\$0.6712	\$0.00
Dredging Surcharge per Dth of MSQ	\$0.0459	\$0.00
<u>Additional Charges and Surcharges</u>		
1. Commodity Rate	\$0.0114/Dth of deliveries	\$0.0114/Dth of deliveries
2. Fuel (GT&C § 24.1)	Pro Rata Share	Pro Rata Share
3. Electric Power Cost Charge	\$0. 09332199 /Dth of deliveries	\$0. 09332199 /Dth of deliveries
3a. K-6 Boil Off Compressor Electric Power Cost Charge	\$0. 13650825 /Dth of gas compressed	\$0. 13650825 /Dth of gas compressed
4. ACA Surcharge	See GT&C Section 21	See GT&C Section 21
5. K-6 Boil Off Compressor Usage Surcharge	\$0.4512/Dth of gas compressed	\$0.0000/Dth of gas compressed
Total additional charges and surcharges (excluding items 2, 3a, 4, and 5 above)	\$0. 10472313 /Dth of deliveries	\$0. 10472313 /Dth of deliveries

SECTION 2.2
LNG-2 RATES
 INTERRUPTIBLE TERMINAL SERVICE

<u>Rate Schedule LNG-2 (Interruptible Terminal Service)</u>	Maximum Rate	Minimum Rate
Monthly Storage Charge per Dth	\$0.6712	\$0.00
Dredging Surcharge per Dth	\$0.0459	\$0.00
<u>Additional Charges and Surcharges</u>		
1. Commodity Rate	\$0.0114/Dth of deliveries	\$0.0114/Dth of deliveries
2. Fuel (GT&C § 24.1)	Pro Rata Share	Pro Rata Share
3. Electric Power Cost Charge	\$0. 09332199 /Dth of deliveries	\$0. 09332199 /Dth of deliveries
3a. K-6 Boil Off Compressor Electric Power Cost Charge	\$0. 13650825 /Dth of gas compressed	\$0. 13650825 /Dth of gas compressed
4. ACA Surcharge	See GT&C Section 21	See GT&C Section 21
5. K-6 Boil Off Compressor Usage Surcharge	\$0.4512/Dth of gas compressed	\$0.0000/Dth of gas compressed
Total additional charges and surcharges (excluding items 2, 3a, 4, and 5 above)	\$0. 10472313 /Dth of deliveries	\$0. 10472313 /Dth of deliveries

SECTION 2.3

LNG-3 RATES

FIRM TERMINAL SERVICE – ELBA III

<u>Rate Schedule LNG-3 (Firm Terminal Service – Elba III)</u>	Maximum Rate	Minimum Rate
Monthly Reservation Charge per Dth of MSQ	\$0.7532	\$0.0000
Monthly Reservation Charge per Dth of MDVQ	\$2.4920	\$0.0000
Dredging Surcharge per Dth of MSQ	\$0.0459	\$0.0000
<u>Additional Charges and Surcharges</u>		
1. Electric Power Cost Charge	\$0. 09332199 /Dth of deliveries	\$0. 09332199 /Dth of deliveries
1a. K-6 Boil Off Compressor Electric Power Cost Charge	\$0. 13650825 /Dth of gas compressed	\$0. 13650825 /Dth of gas compressed
2. Commodity Rate	\$0.0114/Dth of deliveries	\$0.0114/Dth of deliveries
3. Fuel (GT&C § 24.1)	Pro Rata Share	Pro Rata Share
4. ACA Surcharge	See GT&C Section 21	See GT&C Section 21
5. K-6 Boil Off Compressor Usage Surcharge	\$0.4512/Dth of gas compressed	\$0.0000/Dth of gas compressed
Total additional charges and surcharges Per Dth of deliveries (excluding items 1a, 3, 4, and 5 above)	\$0. 10472313 /Dth of deliveries	\$0. 10472313 /Dth of deliveries

SUPPORT MATERIAL

Schedule 1: EPCC Calculation

Schedule 2: EPCC Deferred Account Worksheet

Schedule 3: K-6 Charge Calculation

Schedule 4: K-6 Charge Deferred Account Worksheet

Schedule 1

Southern LNG Company, L.L.C.
Electric Power Cost Charge
Effective December 1, 2018

**Line
No.**

1	Projected Electric Costs 12/18 - 11/19	\$ 1,552,244 ^{1/}
2	Deferred Account Balance (Under-collection)	\$ 271,195 ^{2/}
3	Total Costs	<u>\$ 1,823,439</u>
4	Projected Billing Units 12/18 - 11/19	8,292,635 Dth ^{3/}
5	Electric Power Cost Charge Effective 12/1/18	<u>\$0.2199</u>

1/ $20,724,216 \text{ kwh} \times \$0.0749 = \$1,552,244$

2/ See Schedule 2.

3/ Based on projected LNG ship imports and sendout.

Schedule 2

Southern LNG Company, L.L.C.
Comparison of Electric Costs Incurred To Revenue Received
For Electric Power Cost Charge

<u>Line No.</u>	<u>Activity Period</u>	<u>KWH Used</u>	<u>Date of Payment</u>	<u>Payment</u>
1	Oct. 2017	1,585,907	11/18/17	\$ 108,763.00
2	Nov	1,505,884	12/08/17	\$ 92,644.66
3	Dec	1,572,799	01/11/18	\$ 94,788.87
4	Jan. 2018	2,889,895	02/08/18	\$ 256,932.58
5	Feb	1,849,569	03/15/18	\$ 119,503.94
6	Mar	1,439,604	04/14/18	\$ 90,596.64
7	Apr	1,582,153	05/09/18	\$ 106,696.89
8	May	1,645,915	06/07/18	\$ 113,987.36
9	Jun	1,900,792	07/11/18	\$ 154,992.69
10	Jul	1,537,459	07/11/18	\$ 131,355.77
11	Aug	1,562,390	08/12/18	\$ 143,899.91
12	Sep	<u>1,651,849</u>	10/07/18	<u>\$ 138,561.35</u>
13	Total Payments	20,724,216 KWH		\$ 1,552,723.66

<u>Line No.</u>	<u>Activity Period</u>	<u>Monthly Sendout (Dth)</u>	<u>Date of Receipt</u>	<u>Revenues Received</u>
14	Oct. 2017	225,866	11/23/17	\$ 90.35
15	Nov	254,794	12/23/17	\$ 101.92
16	Dec	1,084,409	01/23/18	\$ 101,175.36
17	Jan. 2018	4,514,128	02/23/18	\$ 421,168.14
18	Feb	581,599	03/23/18	\$ 54,263.19
19	Mar	212,245	04/23/18	\$ 19,802.46
20	Apr	201,793	05/23/18	\$ 18,827.29
21	May	205,422	06/23/18	\$ 19,165.87
22	Jun	217,252	07/23/18	\$ 20,269.61
23	Jul	247,871	08/23/18	\$ 23,126.36
24	Aug	239,096	09/23/18	\$ 22,307.66
25	Sep	<u>308,160</u>	10/23/18	<u>\$ 28,751.33</u>
26	Total Revenues	8,292,635 Dth		\$ 729,049.54
27	Net Before Interest (Under-collection 10/17 - 9/18)			\$ 823,674.12
28	Deferred Account Balance as of 10/31/17 (Over-collection)			\$ (541,131.21)
29	Interest (11/17 - 10/18)			\$ (11,348.05)
30	Total Deferred Account Balance (Under-collection of Revenues vs. Payments With Interest)			\$ 271,194.86

Southern LNG Company, L.L.C.
K-6 Boil Off Compressor Electric Power Cost Charge
Effective December 1, 2018

**Line
No.**

1	Projected Electric Costs 12/18 - 11/19	\$ 220,230 ^{1/}
2	Deferred Account Balance (Over-collection)	\$ (70,662) ^{2/}
3	Total Costs	<u>\$ 149,568</u>
4	Projected Billing Units 12/18 - 11/19	1,812,538 Dth ^{3/}
5	K-6 Boil Off Compressor Electric Power Cost Charge Effective 12/1/18	<u>\$0.0825</u>

1/ 3,468,196 kwh x \$.0635 = \$220,230

2/ See Schedule 4.

3/ Based on projected k-6 boil off compressor volumes.

Southern LNG Company, L.L.C.
Comparison of Electric Costs Incurred To Revenue Received
For K-6 Boil Off Compressor Electric Power Cost Charge

<u>Line No.</u>	<u>Activity Period 1/</u>	<u>KWH Used</u>	<u>Date of Payment</u>	<u>Payment</u>
1	Oct. 2017	0	11/18/17	\$ -
2	Nov	306,000	12/08/17	\$ 18,635.40
3	Dec	380,000	01/11/18	\$ 13,877.39
4	Jan. 2018	398,000	02/08/18	\$ 51,430.11
5	Feb	46,000	03/15/18	\$ 1,490.27
6	Mar	378,000	04/14/18	\$ 23,473.80
7	Apr	272,000	05/09/18	\$ 18,468.80
8	May	275,000	06/07/18	\$ 10,908.30
9	Jun	1,196	07/11/18	\$ 68.12
10	Jul	330,000	08/12/18	\$ 27,159.00
11	Aug	236,000	09/07/18	\$ 13,304.74
12	Sep	<u>846,000</u>	10/07/18	<u>\$ 41,573.12</u>
13	Total Payments	3,468,196 KWH		\$ 220,389.05

<u>Line No.</u>	<u>Activity Period 1/</u>	<u>Compressor Volumes (Dth)</u>	<u>Date of Receipt</u>	<u>Revenues Received</u>
16	Oct. 2017	-	11/23/17	\$ -
17	Nov	125,125	12/23/17	\$ 29,867.34
18	Dec	160,112	01/23/18	\$ 21,855.29
19	Jan. 2018	155,559	02/23/18	\$ 21,233.80
20	Feb	219,791	03/23/18	\$ 30,001.47
21	Mar	153,331	04/23/18	\$ 20,929.68
22	Apr	177,656	05/23/18	\$ 24,250.04
23	May	119,835	06/23/18	\$ 16,357.48
24	Jun	174,100	07/23/18	\$ 23,764.65
25	Jul	127,341	08/23/18	\$ 17,382.05
26	Aug	97,254	09/23/18	\$ 13,275.17
27	Sep	<u>302,434</u>	10/23/18	<u>\$ 41,282.24</u>
28	Total Revenues	1,812,538 Dth		\$ 260,199.21
29	Net Before Interest (Over-collection 10/17- 9/18)			\$ (39,810.16)
30	Deferred Account Balance as of 10/31/17 (Over-collection)			\$ (28,603.41)
31	Interest (11/17 - 10/18)			\$ (2,248.90)
32	Total Deferred Account Balance (Over-collection of Revenues vs. Payments With Interest)			\$ (70,662.47)