



March 5, 2019

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

Re: Tennessee Gas Pipeline Company, L.L.C.
Amendment to Annual Fuel Adjustment Filing
Docket No. RP19-801-001

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act (“NGA”) and Part 154 of the Regulations of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. Part 154, Tennessee Gas Pipeline Company, L.L.C. (“Tennessee”) hereby tenders for filing and acceptance the following revised tariff record to its FERC Gas Tariff, Sixth Revised Volume No. 1 (“Tariff”).

Narrative Name	Record Contents Description	Tariff Record Title	Version
Substitute Fifteenth Revised Sheet No. 32	Sheet No. 32	Fuel and EPCR	15.1.0

This filing supplements Tennessee’s March 1, 2019 annual fuel adjustment filing submitted in Docket No. RP19-801-000 (the “March 1 Filing”), as discussed further below. Tennessee proposes that this Tariff record be placed into effect on April 1, 2019.

Statement of Nature, Reasons, and Basis for the Filing

Background

On March 1, 2019, in Docket No. RP19-801-000, Tennessee filed Tariff records to place into effect on April 1, 2019, revised fuel and loss retention percentages and electric power cost charges pursuant to Article XXXVII of the General Terms and Conditions of its Tariff (“Article XXXVII”).¹ Section 5 of Article XXXVII, sets forth the procedure Tennessee is required to

¹ The provisions of Tennessee’s fuel and electric power cost recovery mechanism (“Fuel Adjustment Mechanism”) are set forth in Article XXXVII. The Fuel Adjustment Mechanism is comprised of two components: (a) the fuel and loss retention percentages (“F&LR”), denominated in percentages of gas retained and (b) the electric power cost rates (“EPCR”), denominated in dollars per dekatherm. Section 3 of Article XXXVII provides that Tennessee shall file annually to revise its F&LR and EPCR at least 30 days prior to the effective date of the proposed change in the F&LR and EPCR and that such annual filing shall be filed by Tennessee to become effective on April 1 of each year.

employ to determine the revised F&LR for the prospective year.² In particular, Section 5.3 of Article XXXVII provides that the applicable F&LR for service rendered entirely by displacement or for physical volumes of gas scheduled and allocated for receipt at the Dracut, Massachusetts receipt point (excluding meter bounces³) shall only be the applicable Losses component of the F&LR as set forth in Sheet No. 32 of Tennessee's Tariff. As a result of a large over-recovery of transportation losses recorded to the Deferred F&LR transportation sub-account as of December 31, 2018, the March 1 Filing reflected a negative 0.04% Losses component of the transportation F&LR⁴, resulting in lower F&LR's for service subject to both the fuel and losses components of the F&LR, but also in negative F&LR's for service rendered by displacement or for physical volumes of gas scheduled and allocated for receipt at the Dracut, Massachusetts receipt point (excluding meter bounces).⁵

Instant Filing

The purpose of this filing is to supplement the March 1 Filing and set the F&LR applicable to transportation service rendered by displacement or for physical volumes of gas scheduled and allocated for receipt at the Dracut, Massachusetts receipt point (excluding meter bounces) at zero, consistent with Commission policy. As the Commission has found in previous cases, holding reimbursement rates at zero, rather than allowing the overall reimbursement rates to become negative, is reasonable so long as all the over-recovered amount is eventually returned to shippers.⁶

Tennessee submits for filing and acceptance Substitute Fifteenth Revised Sheet No. 32, Version 15.1.0, as listed above. This Tariff record replaces Fifteenth Revised Sheet No. 32, Version 15.0.0, which was included in the March 1 Filing and was listed in Appendix A of the March 1 Filing.⁷

² Tennessee's F&LR for the prospective year are based on Fuel and Losses quantities incurred by Tennessee during a historical base period (a twelve month period ending 3 months prior to the effective date of a change in fuel and loss retention percentages) as adjusted for any cumulative over or under recoveries of Fuel and Losses as of the end of that historical base period and recorded to the applicable Deferred F&LR Fuel and Losses subaccounts. Such subaccounts may have a negative or positive balance, based on whether there is a cumulative over-collection or an under-collection of Fuel and Losses for prior periods. *See* Sections 5.1 and 6.1 of Article XXXVII.

³ Meter bounces mean situations where a single Shipper or multiple Shippers in coordination, simultaneously nominate gas to and from the Dracut, Massachusetts receipt point, without affecting the amount of physical flow into Tennessee's system.

⁴ As of December 31, 2018, Tennessee recorded a cumulative 2,158,499 Dth of over-collections which more than offset the 817,805 Dth of losses incurred by Tennessee during the Base Period, resulting in a negative 1,340,694 Dth of transportation losses used in the determination of the Losses component of the F&LR in the March 1 Filing.

⁵ *See* footnote 2 of Fifteenth Revised Sheet No. 32 submitted as part of the March 1 Filing.

⁶ *See* GulfSouth Pipeline Company, LP, 154 FERC ¶ P 61,115, at P13-14 (2016); ETC Tiger Pipeline, LLC, 147 FERC ¶ P 61,166, at P 7 (2014) (citing ETC Tiger Pipeline, LLC, 141 FERC ¶ P 61,159 (2012); Columbia Gulf Transmission Co., 132 FERC ¶ P 61,134 at P 43). *See also* Wyoming Interstate Company, 121 FERC ¶ P 61,213, at P15 (2007).

⁷ Pursuant to Section 154.205(b) of the Commission's regulations, 18 C.F.R. § 154.205(b), a natural gas company may file to amend or modify a tariff or service agreement contained in a tariff filing upon which no Commission or delegated order has yet been issued.

Materials Enclosed

In accordance with the applicable provisions of Part 154 of the Commission's regulations, Tennessee provides an eTariff .xml filing package containing:

- (1) A transmittal letter in PDF format;
- (2) Tariff records in RTF format with metadata attached;
- (3) A clean and marked version of the Tariff records in PDF format for posting on eLibrary; and
- (4) A copy of the entire filing in PDF format for posting on eLibrary.

Service and Correspondence

The undersigned certifies that a copy of this filing has been served electronically pursuant to 18 C.F.R. § 154.208 on Tennessee's customers and affected state regulatory commissions. A paper copy of this filing may only be served if a customer has been granted waiver of electronic service pursuant to 18 C.F.R. Part 390 of the Commission's regulations. In addition, an electronic copy of this filing is available for public inspection during regular business hours in Tennessee's office at 1001 Louisiana Street, Suite 1000, Houston, Texas 77002.

Pursuant to 18 C.F.R. § 385.2005 and § 385.2011(c)(5) of the Commission's regulations, the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best knowledge and belief of the undersigned.

The names, titles, and mailing addresses of the persons to whom correspondence and communications concerning this filing should be directed are as follows:

* Tony Sala
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Tennessee Gas Pipeline Company, L.L.C.
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* Persons designated for service in accordance with Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010. Additionally, service via email is requested in lieu of paper copies.

Effective Date and Waiver Request

Tennessee respectfully requests all waivers that may be necessary, including waiver of the 30-day notice period pursuant to Section 154.207 of the Commission's regulations, for the Commission to accept and approve Tennessee's proposed Tariff records filed herein and in the March 1 Filing and listed on Appendix A of the March 1 Filing,⁸ effective April 1, 2019.

Pursuant to Section 154.7(a)(9) of the Commission's regulations, Tennessee hereby moves to place the revised Tariff records into effect on the requested effective date. Additionally, pursuant to Section 18 C.F.R. § 154.206(b) of the Commission's regulations, Tennessee hereby requests the Commission to accept the Tariff records without suspension in order for these Tariff records to go into effect on the requested effective date. If the Commission conditions the acceptance of this filing in any way, Tennessee reserves the right to withdraw the proposed Tariff records or to file a later motion to place such Tariff records into effect at a later date.

Any questions regarding this filing may be directed to the undersigned at (713) 420-5771.

Respectfully submitted,

TENNESSEE GAS PIPELINE COMPANY, L.L.C.

By: /s/ Carlos Oblitas
Carlos J. Oblitas
Director, Rates and Regulatory Affairs

Enclosures

⁸ As previously noted in the instant filing, Tennessee is submitting for filing and acceptance Substitute Fifteenth Revised Sheet No. 32, Version 15.1.0, to replace Fifteenth Revised Sheet No. 32, Version 15.0.0, which was included in the March 1 Filing and was listed in Appendix A of the March 1 Filing.

CLEAN TARIFF SHEETS / RECORDS

FUEL AND EPCR

F&LR 1/, 2/, 3/, 4/	RECEIPT ZONE	DELIVERY ZONE							
		0	L	1	2	3	4	5	6
	0	0.46%		1.71%	2.68%	3.32%	3.86%	4.36%	5.18%
	L		0.17%						
	1	0.62%		1.21%	2.17%	2.71%	3.25%	3.95%	4.51%
	2	2.61%		1.30%	0.16%	0.41%	0.88%	1.57%	2.18%
	3	3.32%		2.64%	0.41%	0.02%	1.27%	1.89%	2.52%
	4	3.86%		3.01%	1.29%	1.56%	0.43%	0.73%	1.35%
	5	4.56%		3.95%	1.57%	1.89%	0.72%	0.72%	0.95%
	6	5.46%		4.72%	2.18%	2.52%	1.26%	0.55%	0.21%

Broad Run Expansion Project – Market Component (Z3-Z1): 5/ 4.62%

EPCR 3/, 4/	RECEIPT ZONE	DELIVERY ZONE							
		0	L	1	2	3	4	5	6
	0	\$0.0033		\$0.0129	\$0.0199	\$0.0248	\$0.0299	\$0.0340	\$0.0408
	L		\$0.0011						
	1	\$0.0045		\$0.0090	\$0.0165	\$0.0202	\$0.0251	\$0.0307	\$0.0353
	2	\$0.0199		\$0.0097	\$0.0010	\$0.0029	\$0.0065	\$0.0118	\$0.0162
	3	\$0.0248		\$0.0202	\$0.0029	\$0.0000	\$0.0095	\$0.0140	\$0.0187
	4	\$0.0299		\$0.0231	\$0.0096	\$0.0117	\$0.0031	\$0.0054	\$0.0101
	5	\$0.0340		\$0.0307	\$0.0118	\$0.0140	\$0.0053	\$0.0052	\$0.0070
	6	\$0.0408		\$0.0353	\$0.0162	\$0.0187	\$0.0094	\$0.0040	\$0.0014

Broad Run Expansion Project – Market Component (Z3-Z1): 5/ \$0.0308

- 1/ Included in the above F&LR is the Losses component of the F&LR equal to -0.04%.
- 2/ For service that is rendered entirely by displacement and for gas scheduled and allocated for receipt at the Dracut, Massachusetts receipt point, Shipper shall render only the quantity of gas associated with Losses of 0.00%.
- 3/ The F&LR's and EPCR's listed above are applicable to FT-A, FT-BH, FT-G, FT-GS, and IT.
- 4/ The F&LR's and EPCR's determined pursuant to Article XXXVII of the General Terms and Conditions.
- 5/ The incremental F&LR and EPCR set forth above are applicable to a Shipper(s) utilizing capacity on the Broad Run Expansion Project – Market Component facilities, from any receipt point(s) to any delivery point(s) located on the project's transportation path. Any service provided to a Shipper(s) outside the project's transportation path shall be subject to the greater of the incremental F&LR and EPCR for the project or the applicable F&LR and EPCR for the applicable receipt(s) and delivery point(s) as shown in the rate matrices above. Included in the above F&LR is the Losses component of the F&LR equal to -0.04%.

MARKED TARIFF SHEETS / RECORDS

FUEL AND EPCR

F&LR 1/, 2/, 3/, 4/	RECEIPT ZONE	DELIVERY ZONE							
		0	L	1	2	3	4	5	6
	0	0.46%		1.71%	2.68%	3.32%	3.86%	4.36%	5.18%
		0.51%		1.54%	2.28%	2.86%	3.33%	3.75%	4.44%
	L		0.17%						
			0.26%						
	1	0.62%		1.21%	2.17%	2.71%	3.25%	3.95%	4.51%
		0.63%		1.12%	1.92%	2.31%	2.82%	3.41%	3.88%
	2	2.61%		1.30%	0.16%	0.41%	0.88%	1.57%	2.18%
		2.33%		1.19%	0.25%	0.46%	0.85%	1.43%	1.93%
	3	3.32%		2.64%	0.41%	0.02%	1.27%	1.89%	2.52%
		2.86%		2.31%	0.46%	0.14%	1.17%	1.69%	2.20%
	4	3.86%		3.01%	1.29%	1.56%	0.43%	0.73%	1.35%
		3.33%		2.62%	1.19%	1.41%	0.48%	0.73%	1.24%
	5	4.56%		3.95%	1.57%	1.89%	0.72%	0.72%	0.95%
		3.88%		3.41%	1.44%	1.69%	0.72%	0.71%	0.91%
	6	5.46%		4.72%	2.18%	2.52%	1.26%	0.55%	0.21%
		4.63%		4.02%	1.93%	2.20%	1.17%	0.57%	0.30%

Broad Run Expansion Project – Market Component (Z3-Z1): 5/ 4.764.62%

EPCR 3/, 4/	RECEIPT ZONE	DELIVERY ZONE							
		0	L	1	2	3	4	5	6
	0	\$0.0033		\$0.0129	\$0.0199	\$0.0248	\$0.0299	\$0.0340	\$0.0408
		\$0.0039		\$0.0151	\$0.0233	\$0.0290	\$0.0350	\$0.0398	\$0.0477
	L		\$0.0011						
			\$0.0013						
	1	\$0.0045		\$0.0090	\$0.0165	\$0.0202	\$0.0251	\$0.0307	\$0.0353
		\$0.0053		\$0.0105	\$0.0193	\$0.0236	\$0.0293	\$0.0359	\$0.0412
	2	\$0.0199		\$0.0097	\$0.0010	\$0.0029	\$0.0065	\$0.0118	\$0.0162
		\$0.0233		\$0.0113	\$0.0012	\$0.0034	\$0.0076	\$0.0138	\$0.0190
	3	\$0.0248		\$0.0202	\$0.0029	\$0.0000	\$0.0095	\$0.0140	\$0.0187
		\$0.0290		\$0.0236	\$0.0034	\$0.0000	\$0.0111	\$0.0164	\$0.0219
	4	\$0.0299		\$0.0231	\$0.0096	\$0.0117	\$0.0031	\$0.0054	\$0.0101
		\$0.0350		\$0.0271	\$0.0113	\$0.0137	\$0.0036	\$0.0063	\$0.0118
	5	\$0.0340		\$0.0307	\$0.0118	\$0.0140	\$0.0053	\$0.0052	\$0.0070
		\$0.0398		\$0.0359	\$0.0138	\$0.0164	\$0.0062	\$0.0061	\$0.0082
	6	\$0.0408		\$0.0353	\$0.0162	\$0.0187	\$0.0094	\$0.0040	\$0.0014
		\$0.0477		\$0.0412	\$0.0190	\$0.0219	\$0.0110	\$0.0046	\$0.0017

Broad Run Expansion Project – Market Component (Z3-Z1): 5/ \$0.0308

- 1/ Included in the above F&LR is the Losses component of the F&LR equal to ~~0.10~~0.04%.
- 2/ For service that is rendered entirely by displacement and for gas scheduled and allocated for receipt at the Dracut, Massachusetts receipt point, Shipper shall render only the quantity of gas associated with Losses of ~~0.10~~0%.
- 3/ The F&LR's and EPCR's listed above are applicable to FT-A, FT-BH, FT-G, FT-GS, and IT.
- 4/ The F&LR's and EPCR's determined pursuant to Article XXXVII of the General Terms and Conditions.
- 5/ The incremental F&LR and EPCR set forth above are applicable to a Shipper(s) utilizing capacity on the Broad Run Expansion Project – Market Component facilities, from any receipt point(s) to any delivery point(s) located on the project's transportation path. Any service provided to a Shipper(s) outside the project's transportation path shall be subject to the greater of the incremental F&LR and EPCR for the project or the applicable F&LR and EPCR for the applicable receipt(s) and delivery point(s) as shown in the rate matrices above. Included in the above F&LR is the Losses component of the F&LR equal to -0.04%.