



May 29, 2020

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.  
Extension of PCB Adjustment Period  
Docket No. RP20-\_\_\_\_-000

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”), 18 C.F.R. Part 154, and the May 15, 1995 Stipulation and Agreement (“1995 Stipulation”) as amended on April 13, 2009 in Docket Nos. RP91-203 and RP92-132 (collectively, the “PCB Settlement”), 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”).

<b>Narrative Name</b>	<b><u>Record</u> <u>Contents</u> Description</b>	<b><u>Tariff</u> Record Title</b>	<b>Version</b>
Ninth Revised Sheet No. 389	Sheet No. 389	PCB Adjustment	9.0.0

Tennessee respectfully requests that this Tariff record be placed into effect on July 1, 2020.

### **Statement of Nature, Reasons, and Basis for the Filing**

#### **Background**

On May 15, 1995, Tennessee filed with the Commission a comprehensive settlement agreement to resolve outstanding issues related to Tennessee’s recovery through rates charged to its customers of the costs of remediating contamination of polychlorinated biphenyl (“PCB”) and other hazardous substance list (“HSL”) at specified locations on its pipeline system. The 1995 Stipulation established a cost recovery mechanism that applies throughout the duration of Tennessee’s federal and state mandated programs to assess and remediate the PCB/HSL contamination (“Project”). The 1995 Stipulation permits Tennessee to recover certain defined “Eligible Costs” related to the Project through a PCB adjustment surcharge (“PCB surcharge”) for the initial period from July 1, 1995, through June 30, 2000 (“Initial Adjustment Period”) and for any applicable extension period(s) (“Extended Adjustment Period(s)"). The 1995 Stipulation

requires Tennessee to extend the Extended Adjustments Period(s) in twenty-four month increments, “as necessary to collect additional costs to eliminate the account balance” or to “reflect additional Eligible Costs.”<sup>1</sup> The Commission approved the 1995 Stipulation by orders dated November 29, 1995 and February 20, 1996.<sup>2</sup>

On April 13, 2009, Tennessee filed an amendment to the 1995 Stipulation (“2009 Amendment”) in the above-referenced dockets in order to resolve issues related to Tennessee’s over-collected costs under the 1995 Stipulation. The 2009 Amendment was approved by the Commission by orders dated November 4, 2009 and December 3, 2009<sup>3</sup> and became effective on December 4, 2009. The 2009 Amendment provided for interim refunds in the amount of \$156.6 million, representing the balance in the RCRA as of December 31, 2008, plus carrying charges through June 30, 2009, net of \$10 million that Tennessee retained to pay for the customers’ share of additional Eligible Costs, with such interim refunds to be paid to Tennessee’s shippers in quarterly installments over a three year period. Tennessee has fully extinguished its interim refund liability pursuant to the 2009 Amendment.

### **Current Status of Project**

Tennessee continues to incur Eligible Costs for PCB/HSL remediation activities related to the Project. These remediation activities have been ongoing since 1992. Initially, sixty-seven compressor stations were targeted for PCB/HSL remediation, and to date, Tennessee has completed on-facility and off facility remediation at sixty-three sites with only four sites remaining in “open status”.<sup>4</sup>

Remaining work activities at these four “open status” sites include groundwater monitoring activities at three sites (CS 106, CS 229 and CS 860), surface sediments and fish monitoring activities at one site (CS 229), and wastewater treatment and building surface remediation activities at one site (CS 40). Although the remaining work activities at these four “open status” sites are currently projected by Tennessee to be limited in scope, Tennessee does

---

<sup>1</sup> 1995 Stipulation, Article IV (B)(2), p.15 and Article IV (B)(4)(b), p. 17. The 1995 Stipulation further provides for the establishment of a Recoverable Cost/Revenue Account (“RCRA”) to keep track of the Eligible Costs incurred by Tennessee, the amount collected through the PCB surcharge, third party (insurance) recoveries, and any carrying charges on the net balance in the RCRA.

<sup>2</sup> *Tennessee Gas Pipeline Co.*, 73 FERC ¶ 61,222 (1995); *Tennessee Gas Pipeline Co.*, 74 FERC ¶ 61,174 (1996).

<sup>3</sup> *Tennessee Gas Pipeline Co.*, 129 FERC ¶ 61,105 (2009); *Tennessee Gas Pipeline Co.*, Docket Nos. RP91-203-076 and RP92-132-064 (Dec. 3, 2009) (Unpublished Letter Order).

<sup>4</sup> These four remaining “open status” sites include Compressor Station (“CS”) 40 located in the state of Louisiana, CS 106 located in the state of Kentucky, CS 229 located in the state of New York, and CS 860 located in the state of Tennessee.

not currently expect to reach full Project completion prior to 2040. To complete the remaining work activities related to the Project, Tennessee currently forecasts that it may need to spend approximately an additional \$3.1 million of Eligible Costs (in current unadjusted dollars).<sup>5</sup> However, depending on the additional scope of work that Tennessee may be required to undertake at these sites based on the results of the ongoing monitoring activities, it is possible that actual expenditures could differ from this estimate.

### **Instant Filing**

In conformance with the terms of the PCB Settlement, Tennessee hereby requests that the Commission approve an extension of the PCB adjustment period for an additional twenty-four months through June 30, 2022. Tennessee currently expects to incur additional Eligible Costs at the four remaining “open status” sites throughout the proposed 24-month extension period requested in the instant filing. Tennessee proposes to leave the PCB surcharge at \$0.00 during the proposed 24-month extension period since Tennessee estimates that the balance in the RCRA is adequate to fund the customers’ share of the additional Eligible Costs.<sup>6</sup> The requested 24-month extension period is consistent with the terms of the PCB Settlement as it will allow Tennessee to reflect additional Eligible Costs expected to be incurred during the proposed extension period.

Although the extension requested herein is required by the terms of the PCB Settlement (i.e., to “reflect additional Eligible Costs.”),<sup>7</sup> Tennessee believes that now may be an appropriate time for the parties to the PCB Settlement to consider the feasibility of an early termination of the PCB Settlement (i.e., prior to the final completion of the work activities related to the Project). As previously discussed, although the remaining work activities at the four “open status” sites are currently projected by Tennessee to be limited in scope, Tennessee does not currently expect to reach full Project completion prior to 2040. As a result, under the terms of the PCB Settlement, final refunds to customers of any remaining balances in the RCRA would not be due for another 20 years. An early termination of the PCB Settlement would provide Tennessee’s customers with the benefit of final refunds much sooner than would be possible under the current terms of the PCB Settlement.<sup>8</sup> Further, an early termination of the PCB Settlement would avoid the need for Tennessee to continue to track relatively minor costs and revenues for the next twenty years and would also eliminate customer risks related to potential cost over-runs on the remaining scope of

---

<sup>5</sup> A schedule detailing the scope of the remaining work, projected costs and estimated completion dates for each site is included in the instant filing as Exhibit 1.

<sup>6</sup> As of April 30, 2020, the RCRA had a balance of approximately \$13.4 million. *See* Exhibit 2.

<sup>7</sup> *See* fn 1.

<sup>8</sup> As part of an early termination of the PCB Settlement, the proposed final refund to customers would be based on the balance in the RCRA less an amount equal to the customers’ share of the \$3.1million that Tennessee forecasts is required to complete the work activities related to the Project. *See* Exhibit 2.

work. Tennessee plans to reach out to its customers in the immediate future to explore their interest in an early termination of the PCB Settlement. If these discussions are successful, Tennessee would expect to file with the Commission an amendment to the PCB Settlement at the earliest opportunity upon reaching agreement.

### **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 with Exhibits 1-2 attached;
- (2) Revised Tariff record in RTF format with metadata attached;
- (3) A clean and marked version of the revised Tariff record 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, 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:

\*Susan T. Halbach  
Assistant General Counsel  
Tennessee Gas Pipeline Company, L.L.C.  
1001 Louisiana Street, Suite 1000  
Houston, Texas 77002  
(713) 420-5751  
[Susan\\_Halbach@kindermorgan.com](mailto:Susan_Halbach@kindermorgan.com)

\* Carlos Oblitas  
Director, Rates and Regulatory Affairs  
Tennessee Gas Pipeline Company, L.L.C.  
1001 Louisiana Street, Suite 1000  
Houston, TX 77002  
(713) 420-3297  
[Carlos\\_Oblitas@kindermorgan.com](mailto:Carlos_Oblitas@kindermorgan.com)

(\*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 for the Commission to accept the Tariff record filed herein to become effective on July 1, 2020.

Pursuant to Section 154.7(a)(9) of the Commission's regulations, Tennessee hereby moves to place the revised Tariff record into effect on the requested effective date. Additionally, pursuant to Section 154.206(b) of the Commission's regulations, Tennessee hereby requests the Commission to accept the Tariff record without suspension in order for the Tariff record 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 record or to file a later motion to place such Tariff record 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

## **EXHIBIT 1**

**Tennessee Gas Pipeline Company, L.L.C.**  
**PCB/HSL Project**  
**Remaining Eligible Costs, Scope of Work and Date of Completion**

Line No.	Site Reference	Location	Remaining Eligible Costs [1]	Scope of Work	Estimated Date of Completion
1	Station 106	KY	\$ 123,912	Groundwater monitoring.	2040
2	Station 229	NY	\$ 2,118,592	Groundwater, surface sediments and fish monitoring at multiple on and off-site locations.	2040
3	Station 860	TN	\$ 668,802	Groundwater monitoring.	2040
4	Station 40	LA	\$ 204,000	Wastewater treatment and building surfaces remediation.	2021
5	<b>TOTAL</b>		<b>\$ 3,115,305</b>		

Notes

[1] Estimate of remaining Eligible Costs in current unadjusted dollars through Project completion.

## **EXHIBIT 2**



**Tennessee Gas Pipeline Company, L.L.C.**  
**PCB/HSL Project**  
**RCRA Balance and Estimated Final Refund**

Line No.	Description		Amount
1	RCRA Balance @ 04/30/2020	[1]	\$ <b>13,391,690</b>
2	Remaining Eligible Costs	[2]	\$ 3,115,305
3	Customer's Share of Remaining Eligible Costs	[3]	\$ 2,180,714
4	Estimated Final Refund	[4]	<u>\$ <b>11,210,977</b></u>

Notes

[1] In current unadjusted dollars.

[2] Estimate of remaining Eligible Costs in current unadjusted dollars through Project completion.

[3] 70% of remaining Eligible Costs.

[4] Line 1 - Line 3.

# **CLEAN TARIFF SHEETS / RECORDS**

GENERAL TERMS AND CONDITIONS (continued)

XXXII. PCB ADJUSTMENT

The rates and charges for the Affected Rate Schedules shall be subject to a PCB Adjustment effective July 1, 1995 as provided in this Article. This Article, which is intended to implement the provisions of the Stipulation and Agreement filed with the Commission in Tennessee Gas Pipeline Co., Docket Nos. RP91-203 and RP92-132 (Phase II- PCB Issues) on May 15, 1995, as approved by Commission orders dated November 29, 1995 and February 20, 1996 (73 FERC ¶ 61,222 (1995)), order on rehearing (74 FERC ¶ 61,174 (1996)) and the Amendment to Stipulation and Agreement filed with the Commission in the above-captioned dockets ("Amendment"), hereinafter collectively referred to as "Stipulation", shall be construed in a manner consistent with the Stipulation. In the event of a conflict between the provisions of this Article and the Stipulation, the Stipulation shall control.

1. Definitions

"Eligible Costs" are those costs as defined in the "Stipulation".

"Initial Adjustment Period" is the period commencing on July 1, 1995 and ending on June 30, 2000.

"Recoverable Eligible Costs" equal the following percentages of Transporter's Eligible Costs adjusted to 1992 dollars as described in Section 5.2:

"Extended Adjustment Period" shall mean the extension period commencing on July 1, 2000 and ending on June 30, 2022. The Extended Adjustment Period shall be extended in 24 month increments (24 Month Period) as necessary to collect additional costs to eliminate the balance in the Recoverable Cost/Revenue Account calculated in accordance with Section 5, to reflect additional Eligible Costs or to complete refunds, including the payment of Interim Refunds. The applicable sections of this Article XXXII shall remain in effect throughout the end of the Extended Adjustment Period.

Recovery (%)	Cost Block (\$)
100	0 - 123,000,000
70	123,000,001 - 263,000,000
0	263,000,001 - 283,000,000
50	283,000,001 - 383,000,000

2. Affected Rate Schedules and Rates

The Affected Rate Schedules are FT-A, FT-G, FT-GS, FT-BH, FT-IL, IT, FS-MA, IS-MA, T-154. The effective rates for services under the Affected Rate Schedules shall be the applicable Rates After Current Adjustment shown on the Summary of Rates and Charges in Transporter's FERC Gas Tariff, reflecting the applicable PCB Adjustment determined pursuant to this Article. The PCB Adjustment shall be a demand surcharge on Transporter's rates for services under firm Affected Rate Schedules and surcharges on Transporter's rates for service under other Affected Rate Schedules calculated in conformance with the Stipulation.

# **MARKED TARIFF SHEETS / RECORDS**

GENERAL TERMS AND CONDITIONS (continued)

XXXII. PCB ADJUSTMENT

The rates and charges for the Affected Rate Schedules shall be subject to a PCB Adjustment effective July 1, 1995 as provided in this Article. This Article, which is intended to implement the provisions of the Stipulation and Agreement filed with the Commission in Tennessee Gas Pipeline Co., Docket Nos. RP91-203 and RP92-132 (Phase II- PCB Issues) on May 15, 1995, as approved by Commission orders dated November 29, 1995 and February 20, 1996 (73 FERC ¶ 61,222 (1995)), order on rehearing (74 FERC ¶ 61,174 (1996)) and the Amendment to Stipulation and Agreement filed with the Commission in the above-captioned dockets ("Amendment"), hereinafter collectively referred to as "Stipulation", shall be construed in a manner consistent with the Stipulation. In the event of a conflict between the provisions of this Article and the Stipulation, the Stipulation shall control.

1. Definitions

"Eligible Costs" are those costs as defined in the "Stipulation".

"Initial Adjustment Period" is the period commencing on July 1, 1995 and ending on June 30, 2000.

"Recoverable Eligible Costs" equal the following percentages of Transporter's Eligible Costs adjusted to 1992 dollars as described in Section 5.2:

"Extended Adjustment Period" shall mean the extension period commencing on July 1, 2000 and ending on June 30, ~~2020~~2022. The Extended Adjustment Period shall be extended in 24 month increments (24 Month Period) as necessary to collect additional costs to eliminate the balance in the Recoverable Cost/Revenue Account calculated in accordance with Section 5, to reflect additional Eligible Costs or to complete refunds, including the payment of Interim Refunds. The applicable sections of this Article XXXII shall remain in effect throughout the end of the Extended Adjustment Period.

Recovery (%)	Cost Block (\$)
100	0 - 123,000,000
70	123,000,001 - 263,000,000
0	263,000,001 - 283,000,000
50	283,000,001 - 383,000,000

2. Affected Rate Schedules and Rates

The Affected Rate Schedules are FT-A, FT-G, FT-GS, FT-BH, FT-IL, IT, FS-MA, IS-MA, T-154. The effective rates for services under the Affected Rate Schedules shall be the applicable Rates After Current Adjustment shown on the Summary of Rates and Charges in Transporter's FERC Gas Tariff, reflecting the applicable PCB Adjustment determined pursuant to this Article. The PCB Adjustment shall be a demand surcharge on Transporter's rates for services under firm Affected Rate Schedules and surcharges on Transporter's rates for service under other Affected Rate Schedules calculated in conformance with the Stipulation.