



# FAYETTEVILLE EXPRESS PIPELINE LLC

January 21, 2022

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

RE: Fayetteville Express Pipeline LLC  
Docket No. RP22-                      
Update to GT&C Section 36

Dear Ms. Bose:

Fayetteville Express Pipeline LLC (FEP) hereby electronically submits for filing with the Federal Energy Regulatory Commission (Commission) the following revised tariff record to its FERC NGA Gas Tariff, First Revised Volume No. 1 (Tariff), proposed to be effective on March 1, 2022:

<u>Version</u>	<u>Description</u>	<u>Title</u>
3.0.0	36.	Periodic Fuel Gas Reimbursement Adjustment

## STATEMENT OF NATURE, REASONS AND BASIS

Section 36 of the General Terms and Conditions (GT&C) of FEP's Tariff provides that FEP will file a Periodic Rate Adjustment of the Reimbursement Percentages applicable to the recovery by FEP of Fuel Gas, Lost and Unaccounted For Gas (LUAFF), and any Booster Compression Fuel, if applicable. In its latest Fuel/LUAFF Reimbursement Percentage Adjustment filing in Docket Nos. RP22-116-000, *et al.*, FEP requested a waiver of the provisions of GT&C Section 36 to permit it to charge a Reimbursement Percentage of 0.00% when the calculated Reimbursement Percentage was a negative. FEP explained that GT&C Section 36 is not structured to address a situation in which it would be required to charge any of its shippers a negative Reimbursement Percentage. In the Commission's Order accepting FEP's filing<sup>1</sup>, the Commission encouraged FEP to amend its tariff and obviate the need to file similar waiver requests. The purpose of this filing is to follow the Commission's recommendation to modify GT&C Section 36 to specify that if a negative Reimbursement Percentage is calculated, FEP will use 0.00% as the Reimbursement Percentage.

## IMPLEMENTATION

Pursuant to Section 154.7(a)(9) of the Commission's Regulations, FEP requests that the proposed tariff record be accepted effective March 1, 2022, without further action from FEP.

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<sup>1</sup> 177 FERC ¶ 61,150 (2021).

## CONTENTS OF THE FILING

This filing is made in electronic format in compliance with Section 154.4 of the Commission's Regulations. The proposed tariff record in RTF format with metadata attached is being submitted as part of an XML filing package containing the following:

- This transmittal letter, including a Statement of Nature, Reasons and Basis in PDF format
- A clean version of the proposed tariff record in PDF format for publishing in eLibrary
- A marked version of the proposed tariff changes in PDF format
- A copy of the complete filing in PDF format for publishing in eLibrary.

## COMMUNICATIONS, PLEADINGS AND ORDERS

All correspondence and communications concerning this filing should be served on each of the following persons:

***Michael T. Langston*** <sup>2</sup>

Vice President  
Chief Regulatory Officer  
Fayetteville Express Pipeline LLC  
1300 Main Street  
Houston, TX 77002  
(713) 989-7610  
(713) 989-1205 (Fax)  
[michael.langston@energytransfer.com](mailto:michael.langston@energytransfer.com)

***T. Brooks Henderson*** <sup>2</sup>

Director – Rates and Regulatory  
Colonial Brookwood Center  
569 Brookwood Village – Suite 749  
Birmingham, AL 35209  
(205) 325-3843  
[brooks\\_henderson@KinderMorgan.com](mailto:brooks_henderson@KinderMorgan.com)

***Lawrence J. Biediger*** <sup>2 3</sup>

Sr. Director, Rates and Regulatory Affairs  
Fayetteville Express Pipeline LLC  
1300 Main Street  
Houston, TX 77002  
(713) 989-7670  
(713) 989-1205 (Fax)  
[larry.biediger@energytransfer.com](mailto:larry.biediger@energytransfer.com)

***Kevin Erwin*** <sup>2</sup>

General Counsel  
Fayetteville Express Pipeline LLC  
1300 Main Street  
Houston, TX 77002  
(713) 989-2745  
(713) 989-1212 (Fax)  
[kevin.erwin@energytransfer.com](mailto:kevin.erwin@energytransfer.com)

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<sup>2</sup> Designated to receive service pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure. FEP respectfully requests that the Commission waive Rule 203(b)(3), 18 C.F.R. § 385.203(b)(3), in order to allow FEP to include additional representatives on the official service list.

<sup>3</sup> Designated as responsible Company official under Section 154.7(a)(2) of the Commission's regulations.

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In accordance with Section 154.208(d) of the Commission's Regulations, a copy of this filing is available for public inspection during regular business hours at FEP's office at 1300 Main Street, Houston, Texas 77002. In addition, copies of this filing are being served electronically on jurisdictional customers and interested state regulatory commissions. FEP has posted this filing on its Internet website accessible via <http://fepttransfer.energytransfer.com> under Informational Postings, Regulatory.

Pursuant to Section 385.2005(a) 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 of his knowledge and belief. The undersigned possesses full power and authority to sign this filing.

Respectfully submitted,

Fayetteville Express Pipeline LLC

*/s/ Lawrence J. Biediger*

Lawrence J. Biediger  
Sr. Director, Rates and Regulatory Affairs

## 36. PERIODIC RATE ADJUSTMENTS FOR FUEL GAS, LOST AND UNACCOUNTED FOR GAS AND BOOSTER COMPRESSION FUEL

### 36.1 PURPOSE AND APPLICABILITY

(a) This Section 36 establishes a semi-annual periodic rate adjustment provision for the recovery by FEP of Fuel Gas, Lost and Unaccounted For Gas, and any Booster Compression Fuel. FEP shall have the right to adjust the Fuel Gas Percentage, the Lost and Unaccounted For Gas Percentage, and any Booster Compression Fuel Percentages, as provided in this Section 36.

(b) This Section 36 specifies the procedures to be utilized in adjusting such Reimbursement Percentages to reflect changes in Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel. These adjustments result in the Fuel Gas and Lost and Unaccounted For Gas Reimbursement Percentages as reflected in the Currently Effective Rates for the applicable Rate Schedule. A separate incremental Booster Compression Fuel Reimbursement Percentage (associated with Booster Compression) is set forth for point(s) where Booster Compression applies. All amounts for the reimbursement of Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel shall be recovered by FEP in-kind by applying the applicable Reimbursement Percentage(s) to the quantities of Gas transported on the FEP System under Rate Schedules FTS, ITS and HAT. If fuel retention percentages differ from those determined hereunder are established for any Shipper, pursuant to Section 30 of these General Terms and Conditions (relating to Negotiated Rates), that contractual percentage shall be used in determining delivery quantities for that Shipper (Equivalent Volumes, etc), but shall be without prejudice to FEP recovering additional future amounts from such a Shipper consistent with Section 30.5 of these General Terms and Conditions.

(c) Fuel Gas charges shall not be assessed for quantities received by FEP upstream of the interconnect with Natural Gas Pipeline Company of America LLC (NGPL Interconnect) located in White County, Arkansas, and delivered at or upstream of the NGPL Interconnect, provided that such deliveries are made without the use of compression. Provided however, Lost and Unaccounted For Gas and any applicable Booster Compression Fuel charges shall apply to such quantities. If mainline compression is installed at or upstream of the NGPL Interconnect, the Fuel Gas Charge exemption provided in this section shall not be applicable.

(d) FEP shall file the first semi-annual Periodic Rate Adjustment nine (9) months after the Initial Effective Date.

### 36.2 DEFINITIONS

(a) "Fuel Gas", "Lost and Unaccounted For Gas", and "Booster Compression Fuel" shall have the meanings set out in Section 1 of these General Terms and Conditions.

(b) "Collection Period" shall mean, for purposes of the Periodic Rate Adjustment, the six (6) Month period ended three (3) Months prior to the commencement of a new Recovery Period.

(c) "Recovery Period" shall mean, for purposes of the Periodic Rate Adjustment, the period during which the revised percentages are to be in effect, which shall be a six (6) Month period commencing with the effective date of the next redetermination as specified in Section 36.3.

(d) "Receipt Quantity" shall mean the quantity of Gas received by FEP at the various Receipt Points on its System, net of quantities received as reimbursement for Fuel Gas, Lost and Unaccounted For Gas, and applicable Booster Compression Fuel, as adjusted for any negotiated rate agreements pursuant to Section 30.5 of these General Terms and Conditions. For purposes of incremental Booster Compression Fuel Reimbursement Percentage(s), the Receipt Quantity shall mean all quantities received at the point(s) where Booster Compression applies.

### 36.3 PERIODIC RATE ADJUSTMENT

(a) The effective date of each Periodic Rate Adjustment shall be June 1 and December 1.

(b) FEP shall file its adjustment to each of the Reimbursement Percentages at least thirty (30) days prior to the effective date of the redetermination. The revised Reimbursement Percentage(s) in any periodic adjustment filing(s) shall be the sum of the Current Component, determined under Section 36.4, and the Deferred Component, determined under Section 36.5; however, if the sum of the Current Component and the Deferred Component results in an overall negative Reimbursement Percentage, then the revised Reimbursement Percentage will be 0.00%. Any periodic adjustment filing(s) submitted in accordance with this section shall become effective, and subject to refund, on the proposed effective date which is consistent with Sections 36.3(a) and 36.3(c). Any changes in Reimbursement Percentage(s) shall be subject to review in the periodic adjustment filing proceeding(s).

(c) FEP may, at any time, file to make an out of cycle adjustment to the Fuel Gas Reimbursement Percentage, Lost and Unaccounted For Gas Percentage, and/or to establish an incremental Booster Compressor Fuel Reimbursement Percentage at points where Booster Compression applies. Such adjustment shall be filed at least thirty (30) days prior to the effective date and shall only be effective at the beginning of a month.

### 36.4 CURRENT COMPONENT

(a) A Current Component shall be calculated for: (i) Fuel Gas Reimbursement Percentage; (ii) Lost and Unaccounted For Gas Reimbursement Percentage; and (iii) Booster Compression Fuel Reimbursement Percentage. Each element of the Current Component shall be divided by the relevant Receipt Quantity to calculate the Current Component of the respective Reimbursement Percentage(s). One value for the Fuel Gas and the Lost and Unaccounted For Gas Reimbursement Percentages shall be calculated, which applies once to all quantities transported on

the System, excluding exempted volumes pursuant to Section 36.1(c). The Booster Compression Fuel Reimbursement Percentage is an incremental rate applicable to Shippers with Gas being compressed using Booster Compression.

(b) Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel to be included in this calculation consist of the Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel actually experienced during the Collection Period, utilizing best available measurement information, and adjusted for changes reasonably anticipated to occur during the Recovery Period; provided, however, that for the initial redetermination, the calculation shall reflect the months of actual experience for which data is available.

(c) The Receipt Quantities used in these calculations shall be the Receipt Quantities to which such fuel charges were actually assessed as adjusted for Negotiated Rate Agreements, pursuant to Section 30.5 of these General Terms and Conditions, during the Collection Period, utilizing best available measurement information, and adjusted for changes reasonably anticipated to occur during the Recovery Period.

### 36.5 DEFERRED COMPONENT

(a) A Deferred Component shall be calculated for: (i) the Fuel Gas Reimbursement Percentage; (ii) the Lost and Unaccounted For Gas Reimbursement Percentage; and (iii) Booster Compression Fuel Reimbursement Percentage. A deferred subaccount shall be established and maintained for each of these items. The Deferred Component shall be the balance of the deferred subaccount as of the end of the Collection Period divided by the Receipt Quantity. The Receipt Quantities used in these calculations shall be the quantities to which such fuel charges were actually assessed during the Collection Period based on best available information, adjusted for changes reasonably anticipated to occur during the Recovery Period. The Deferred Component may be positive or negative.

(b) The accumulated deferred subaccount balances for each Reimbursement Percentage is to be adjusted semi-annually to reflect the following, as applicable:

(1) The amount associated with FEP's actual under- or over-recovery at the end of each six (6) Month period of Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel if applicable.

(2) Adjustments to any prior Month's recoveries.

(3) Carrying charges on the deferred subaccounts.

(4) Other charges related to Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel operations.

(c) The amount to be included as an adjustment in the deferral subaccounts for any Month shall be calculated as follows, with separate calculations for each Deferred Component

identified in Section 36.5(a) hereof:

(1) FEP shall determine the actual Fuel Gas, the actual Lost and Unaccounted For Gas, and actual Booster Compression Fuel Gas, and quantities related to Section 20.2 of these General Terms and Conditions.

(2) FEP shall then determine the amount of Fuel Gas, the amount of Lost and Unaccounted For Gas, and the amount of Booster Compression Fuel Gas recovered for that Month, as follows: the amount of Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel Gas recovered shall be determined by multiplying the Fuel Gas Reimbursement Percentage, the Lost and Unaccounted For Gas Reimbursement Percentage, and the Booster Compression Fuel Reimbursement Percentage in effect during the Month by the applicable Receipt Quantity for the Month.

(3) The adjustment to the deferral subaccounts for the Month shall be based on the difference between item (1) and item (2) of this sub-section (c) hereof. This amount shall be recorded in the deferral subaccount as follows:

(i) FEP shall debit the relevant deferral account in the event that the actual amounts for the current Month exceed the amounts that FEP recovered hereunder for that Month.

(ii) FEP shall credit the relevant deferral account in the event that the actual amounts for the current Month are less than the total amount FEP recovered hereunder for that Month.

(4) A valuation of the adjustments to the deferral subaccounts shall be based on the AMIP for the relevant period.

(5) FEP will add carrying charges applicable for the Month to each deferral subaccount. The carrying charge shall be the product of the following:

(i) The carrying charge base shall be the prior Month's balance in the reimbursement subaccount;

(ii) FEP shall compute a monthly carrying charge rate utilizing the effective annual FERC-approved interest rate prescribed in Section 154.501 of the FERC's Regulations. Such rate shall be expressed to the nearest one ten thousandth of 1%.

MARKED VERSION



## 36. PERIODIC RATE ADJUSTMENTS FOR FUEL GAS, LOST AND UNACCOUNTED FOR GAS AND BOOSTER COMPRESSION FUEL

### 36.1 PURPOSE AND APPLICABILITY

(a) This Section 36 establishes a semi-annual periodic rate adjustment provision for the recovery by FEP of Fuel Gas, Lost and Unaccounted For Gas, and any Booster Compression Fuel. FEP shall have the right to adjust the Fuel Gas Percentage, the Lost and Unaccounted For Gas Percentage, and any Booster Compression Fuel Percentages, as provided in this Section 36.

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(c) Fuel Gas charges shall not be assessed for quantities received by FEP upstream of the interconnect with Natural Gas Pipeline Company of America LLC (NGPL Interconnect) located in White County, Arkansas, and delivered at or upstream of the NGPL Interconnect, provided that such deliveries are made without the use of compression. Provided however, Lost and Unaccounted For Gas and any applicable Booster Compression Fuel charges shall apply to such quantities. If mainline compression is installed at or upstream of the NGPL Interconnect, the Fuel Gas Charge exemption provided in this section shall not be applicable.

(d) FEP shall file the first semi-annual Periodic Rate Adjustment nine (9) months after the Initial Effective Date.

### 36.2 DEFINITIONS

(a) "Fuel Gas", "Lost and Unaccounted For Gas", and "Booster Compression Fuel" shall have the meanings set out in Section 1 of these General Terms and Conditions.

(b) "Collection Period" shall mean, for purposes of the Periodic Rate Adjustment, the six (6) Month period ended three (3) Months prior to the commencement of a new Recovery Period.

(c) "Recovery Period" shall mean, for purposes of the Periodic Rate Adjustment, the period during which the revised percentages are to be in effect, which shall be a six (6) Month period commencing with the effective date of the next redetermination as specified in Section 36.3.

(d) "Receipt Quantity" shall mean the quantity of Gas received by FEP at the various Receipt Points on its System, net of quantities received as reimbursement for Fuel Gas, Lost and Unaccounted For Gas, and applicable Booster Compression Fuel, as adjusted for any negotiated rate agreements pursuant to Section 30.5 of these General Terms and Conditions. For purposes of incremental Booster Compression Fuel Reimbursement Percentage(s), the Receipt Quantity shall mean all quantities received at the point(s) where Booster Compression applies.

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(c) FEP may, at any time, file to make an out of cycle adjustment to the Fuel Gas Reimbursement Percentage, Lost and Unaccounted For Gas Percentage, and/or to establish an incremental Booster Compressor Fuel Reimbursement Percentage at points where Booster Compression applies. Such adjustment shall be filed at least thirty (30) days prior to the effective date and shall only be effective at the beginning of a month.

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the System, excluding exempted volumes pursuant to Section 36.1(c). The Booster Compression Fuel Reimbursement Percentage is an incremental rate applicable to Shippers with Gas being compressed using Booster Compression.

(b) Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel to be included in this calculation consist of the Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel actually experienced during the Collection Period, utilizing best available measurement information, and adjusted for changes reasonably anticipated to occur during the Recovery Period; provided, however, that for the initial redetermination, the calculation shall reflect the months of actual experience for which data is available.

(c) The Receipt Quantities used in these calculations shall be the Receipt Quantities to which such fuel charges were actually assessed as adjusted for Negotiated Rate Agreements, pursuant to Section 30.5 of these General Terms and Conditions, during the Collection Period, utilizing best available measurement information, and adjusted for changes reasonably anticipated to occur during the Recovery Period.

### 36.5 DEFERRED COMPONENT

(a) A Deferred Component shall be calculated for: (i) the Fuel Gas Reimbursement Percentage; (ii) the Lost and Unaccounted For Gas Reimbursement Percentage; and (iii) Booster Compression Fuel Reimbursement Percentage. A deferred subaccount shall be established and maintained for each of these items. The Deferred Component shall be the balance of the deferred subaccount as of the end of the Collection Period divided by the Receipt Quantity. The Receipt Quantities used in these calculations shall be the quantities to which such fuel charges were actually assessed during the Collection Period based on best available information, adjusted for changes reasonably anticipated to occur during the Recovery Period. The Deferred Component may be positive or negative.

(b) The accumulated deferred subaccount balances for each Reimbursement Percentage is to be adjusted semi-annually to reflect the following, as applicable:

(1) The amount associated with FEP's actual under- or over-recovery at the end of each six (6) Month period of Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel if applicable.

(2) Adjustments to any prior Month's recoveries.

(3) Carrying charges on the deferred subaccounts.

(4) Other charges related to Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel operations.

(c) The amount to be included as an adjustment in the deferral subaccounts for any Month shall be calculated as follows, with separate calculations for each Deferred Component

identified in Section 36.5(a) hereof:

(1) FEP shall determine the actual Fuel Gas, the actual Lost and Unaccounted For Gas, and actual Booster Compression Fuel Gas, and quantities related to Section 20.2 of these General Terms and Conditions.

(2) FEP shall then determine the amount of Fuel Gas, the amount of Lost and Unaccounted For Gas, and the amount of Booster Compression Fuel Gas recovered for that Month, as follows: the amount of Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel Gas recovered shall be determined by multiplying the Fuel Gas Reimbursement Percentage, the Lost and Unaccounted For Gas Reimbursement Percentage, and the Booster Compression Fuel Reimbursement Percentage in effect during the Month by the applicable Receipt Quantity for the Month.

(3) The adjustment to the deferral subaccounts for the Month shall be based on the difference between item (1) and item (2) of this sub-section (c) hereof. This amount shall be recorded in the deferral subaccount as follows:

(i) FEP shall debit the relevant deferral account in the event that the actual amounts for the current Month exceed the amounts that FEP recovered hereunder for that Month.

(ii) FEP shall credit the relevant deferral account in the event that the actual amounts for the current Month are less than the total amount FEP recovered hereunder for that Month.

(4) A valuation of the adjustments to the deferral subaccounts shall be based on the AMIP for the relevant period.

(5) FEP will add carrying charges applicable for the Month to each deferral subaccount. The carrying charge shall be the product of the following:

(i) The carrying charge base shall be the prior Month's balance in the reimbursement subaccount;

(ii) FEP shall compute a monthly carrying charge rate utilizing the effective annual FERC-approved interest rate prescribed in Section 154.501 of the FERC's Regulations. Such rate shall be expressed to the nearest one ten thousandth of 1%.