165 FERC ¶ 61,068
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

October 31, 2018

In Reply Refer To:
Rover Pipeline LLC
Docket No. RP18-1239-000

Rover Pipeline LLC
1300 Main Street
Houston, TX 77002

Attention: Lawrence J. Biediger, Senior Director
Rates and Regulatory Affairs

Dear Mr. Biediger:

1. On September 28, 2018, Rover Pipeline LLC (Rover) filed revised tariff records[1] pursuant to Section 21 of the General Terms & Conditions (GT&C) of its tariff for the purpose of adjusting its fuel reimbursement percentages (FRP). As discussed below, the Commission accepts the tariff records listed in footnote No. 1, effective November 1, 2018.

2. According to Rover, GT&C Section 21 requires Rover to make limited section 4 filings under the Natural Gas Act (NGA), to be effective each April 1 and November 1, for the purpose of adjusting its current FRPs. Rover states that the FRPs are designed on a zone path basis, and reimburse Rover in-kind for fuel usage, including electric compression costs and lost-and-unaccounted-for gas (LAUF). Rover also states that its FRPs include an annually computed surcharge for previously deferred over- or under-recoveries of fuel costs.

3. In the instant filing, Rover proposes to adjust its FRPs in order to recover both fuel usage and LAUF for the period November 1, 2018, through March 31, 2019, for transportation service provided in several zone paths on its system. Specifically, Rover seeks to implement zone path FRP increases as follows: Supply Zone to Market Zone

[1] Rover Pipeline LLC, FERC NGA Gas Tariff, Original Volume No. 1, Rate Schedule FTS, Currently Effective Rates, 4.0.0; and Rate Schedule ITS, Currently Effective Rates, 4.0.0.

North (from 0.56 percent to 0.91 percent); Supply Zone to Market Zone South (from 0.56 percent to 0.77 percent); Supply Zone to Mainline Zone (from 0.56 percent to 0.77 percent); Mainline Zone to Market Zone North (from 0.59 percent to 0.71 percent); Mainline Zone to Market Zone South (from 0.33 percent to 0.57 percent); and Mainline Zone only (from 0.33 percent to 0.57 percent). Rover seeks to implement zone path FRP decreases as follows: Supply Zone only (from 0.43 percent to 0.38 percent); Market Zone North to Market Zone South (from 0.46 percent to 0.32 percent); Market Zone North only (from 0.46 percent to 0.32 percent); and Market Zone South only (from 0.00 percent to (0.02) percent). Rover's filing includes six appendices that set forth projected monthly fuel usage by compressors in its supply area and mainline, and projected monthly gas flow on the in-service portions of its system during the period from November 1, 2018, through March 31, 2019.

4. Public notice of the filing was issued on October 1, 2018. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.[2] Pursuant to Rule 214, all timely filed motions to intervene and any unopposed motions to intervene out-of-time filed before the issuance date of this order are granted.[3] Granting late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. On October 10, 2018, Antero Resources Corporation (Antero) filed a protest.

5. On October 15, 2018, Rover filed a Motion for Leave to Answer and Answer to the protest. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure[4] prohibits answers to a protest unless otherwise ordered by the decisional authority. The Commission will accept the instant answer because it provides information that assisted us in our decision-making process.

6. In its protest, Antero asserts that Rover's filing contains insufficient support to be considered just and reasonable. Antero argues that Rover must provide an adequate explanation for the proposed increases to Rover's FRPs in order to meet Rover's burden of proving that its proposal is just and reasonable.[5] In addition, Antero points out that it previously protested Rover's prior fuel reimbursement adjustment filing, wherein Rover failed to explain its adjustments and accordingly the Commission advised Rover that

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[2] 18 C.F.R. § 154.210 (2018).

[3] 18 C.F.R. § 385.214 (2018).

[4] 18 C.F.R. § 385.213(a)(2) (2018).

[5] Antero Protest at 3, n.2 (citing *Rockies Express Pipeline LLC*, 157 FERC ¶ 61,129, at P 22 (2016)).

"any support and justification for future fuel retention rates should be part of the company's original filing and not filed subsequently only after protests have been made to the filing."[6] Antero requests that the Commission reject the instant filing or, alternatively, suspend the tariff records for the full period allowed by law and establish a technical conference. Antero believes the filing raises numerous technical and operational issues regarding the reasons why Rover's shippers are to pay increased FRPs, warranting a technical conference.

7. In its answer, Rover notes that when the Commission approved its initial fuel rates in the order certificating its facilities, Rover did not anticipate its system coming on line in sections.[7] Rover states that accordingly, and as Antero is aware, Rover will need to file to adjust its FRPs as supply laterals and mainline facilities are placed into service and throughput increases. Rover further states that when compared to the initial FRPs approved in the Certificate Order, the proposed FRPs in this proceeding do not reflect an increase; in fact the proposed fuel rates in this proceeding are all below the initial fuel rates that the Commission approved in the Certificate Order.[8]

8. Rover also argues that its proposed FRPs are just and reasonable and were calculated in accordance with GT&C Section 21.3 and section 154.403 of the Commission's regulations. Rover states that in accordance with those requirements, it projected the quantity of gas to be received for the account of shippers and also projected the quantities of gas that will be required for fuel usage. Rover maintains that it clearly set out in its work papers reasonable projections for both fuel usage and throughput for each month of the November to March period covered by the filing. Rover notes that Appendix C illustrates projected compressor fuel usage components for the projected levels of throughput. Rover states that such projections "do not rely solely on historical information but take into account anticipated market conditions."[9] Rover maintains that this information is consistent with the analysis and findings set out in Exhibit P to Rover's certificate application in Docket No. CP15-93-000, which the Commission approved. Rover asserts that Antero "fundamentally mischaracterizes Rover's fuel

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[6] *Id*. at 4, n.3 (citing *Rover Pipeline LLC*, 162 FERC ¶ 61,282, at P 10 (2018)).

[7] Rover Answer at 1-2, n.4 (citing *Rover Pipeline LLC*, 158 FERC ¶ 61,109 (2017) (Certificate Order)).

[8] *Id* at 2, 7. Table 1 to Rover's answer shows that the proposed FRPs in the instant filing are less than the FRPs the Commission approved in the Certificate Order. For example, the FRPs approved in the Certificate Order for Supply Zone to Market Zone North were 1.17 percent, while the proposed FRPs in the instant proceeding for the same zone are 0.91 percent. *Id.* at 7.

[9] Rover Answer at 3.

filing." Rover requests that the Commission require that all of Rover's proposed FRPs be implemented and dismiss requests for outright rejection of its proposed fuel reimbursement adjustment filing.

9. The Commission accepts Rover's tariff records to be effective November 1, 2018. As Rover notes in its answer, because portions of its system are going into service in sections and at different times, it must adjust its FRPs accordingly. In addition, Rover's September 28, 2018 filing contained supporting work papers that show its fuel projections for the subject months, consistent with the analysis and findings in its certificate filing and order. In addition, the true-up mechanism in Rover's tariff will require it to true up any over- or under-recoveries that result from any inaccuracy in Rover's projections. Accordingly, the proposed tariff records identified in footnote No. 1 to this order are hereby accepted effective November 1, 2018.

By direction of the Commission. Commissioner McIntyre is not voting on this letter order.

Nathaniel J. Davis, Sr.,
Deputy Secretary.