

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

OFFICE OF ENERGY MARKET REGULATION

Midwestern Gas Transmission Company  
Docket No. RP23-764-000

Issued: May 25, 2023

On May 8, 2023, Midwestern Gas Transmission Company (Midwestern) filed a tariff record<sup>1</sup> revising section 39 of the General Terms and Conditions (GT&C) of its tariff, Load Management Service Cost Reconciliation Adjustment (LMSCRA). Midwestern states it is clarifying a potential ambiguity regarding the exclusion from the application of the LMSCRA on certain negotiated rate FT-A, FT-B, FT-C, FT-D and FT-GS agreements. Pursuant to authority delegated to the Director, Division of Pipeline Regulation, under 18 C.F.R. § 375.307, the tariff record is accepted, effective June 9, 2023, as requested.

The filing was publicly noticed. No protests or adverse comments were filed. Pursuant to Rule 214 of the Commission's regulations (18 C.F.R. § 385.214), notices of intervention, timely-filed motions to intervene, and any unopposed motions to intervene out-of-time filed before the issuance date of this order are granted.

This action shall not be construed as a waiver of the requirements of section 7 of the Natural Gas Act, as amended; nor shall it be construed as constituting approval of the referenced filing or of any rate, charge, classification, or any rule, regulation, or practice affecting such rate or service contained in the applicant's tariff; nor shall such acceptance be deemed as recognition of any claimed contractual right or obligation associated therewith; and such acceptance is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against the applicant.

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Issued by: Marsha K. Palazzi, Director, Division of Pipeline Regulation

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<sup>1</sup> Midwestern Gas Transmission Company, Midwestern - FERC Gas Tariff, [Part 8, Section 39, Load Management Service Cost Reconciliation Adjustment \(3.0.0\)](#).

Document Content (s)

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May 8, 2023

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

Re: Midwestern Gas Transmission Company  
Tariff Volume No. 1  
Revision to Part 8, Section 39  
Docket No. RP23-764-000

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act and Part 154 of the Federal Energy Regulatory Commission (“Commission”) Regulations, Midwestern Gas Transmission Company (“Midwestern”) respectfully submits for filing and acceptance the following proposed tariff section to its FERC Gas Tariff, Volume No. 1 (“Tariff”). The proposed Tariff revision is submitted to become effective June 9, 2023:

Part 8.39, General Terms and Conditions – Load Management Service Cost Reconciliation Adjustment, v. 3.0.0

**Statement of Nature, Reasons, and Basis for Proposed Change**

Midwestern proposes herein to update its Tariff provisions to clarify a potential ambiguity in its General Terms and Conditions, section 39 - Load Management Service Cost Reconciliation Adjustment (“LMSCRA”) regarding the exclusion from application of the LMSCRA on certain negotiated rate FT-A, FT-B, FT-C, FT-D, and FT-GS Agreements.

Because a single customer may have a combination of FT Agreements with varying rate types (maximum rate, discount rate, and negotiated rate) and utilize LMS-MA or LMS-PA Rate Schedules, Midwestern proposes to add language to the Tariff at Part 8, sub-section 39.1(c)(iii) to clarify that the daily imbalance created at such receipt and delivery points will be treated as attributable to the negotiated rate agreement such that no LMSCRA refund or surcharge will apply to all such daily imbalances during the term of any negotiated rate service agreement. Administratively, daily imbalances created under the LMS-MA or LMS-PA rate schedules do not retain an identity by contract and, as such, a customer’s daily imbalance is aggregated for all points covered by such customer’s multiple service agreements under Rate Schedules LMS-MA or LMS-PA. Where multiple agreements exist with no way to segregate the negotiated

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Ms. Kimberly D. Bose, Secretary

May 08, 2023

Page 2 of 3

rate service agreement imbalance from non-negotiated rate service agreement imbalances, the proposed change clarifies that the imbalance will be attributed to the negotiated rate agreement so that the negotiated rate service agreement exclusion under section 39.1(c)(iii) applies to all such customer service agreements during the term of the negotiated rate agreement.

Per section 154.204(d) of the Commission's regulations, no negative impact to any customer will be affected by this proposed clarification to the Tariff.

### **List of Materials Enclosed**

In accordance with section 154.7 of the Commission's regulations, Midwestern submits the following materials:

1. An eTariff XML package containing the proposal in electronic format;
2. A transmittal letter in PDF format, which incorporates the Statement of Nature, Reasons, and Basis for the filing required by section 154.7(a)(6) of the Commission's regulations;
3. Appendix A – a clean copy of the tariff records in PDF format for publishing in eLibrary; and
4. Appendix B – a marked copy of the tariff records in PDF format for publishing in eLibrary.

### **Filings Pending Before the Commission**

In compliance with 18 C.F.R. section 154.204(f), Midwestern states that it has no other filings pending before the Commission that may significantly affect this filing.

### **Proposed Effective Date**

Pursuant to section 154.7(a)(3) of the Commission's Regulations, Midwestern respectfully requests that the tariff records submitted herein be approved by the Commission effective June 9, 2023. In accordance with section 154.7(a)(9) of the Commission's Regulations, Midwestern moves to place the proposed Tariff section into effect at the end of any suspension period if one is so ordered by the Commission.

### **Waivers**

Midwestern has not identified any waivers of the Commission's Regulations needed to permit its filing to become effective as proposed; however, Midwestern respectfully requests that, should the Commission determine that any such waivers are required, the Commission grant such waivers as are necessary in order that the revised tariff sheets may be made effective as proposed.

Ms. Kimberly D. Bose, Secretary

May 08, 2023

Page 3 of 3

**Service and Correspondence**

In accordance with section 154.208 of the Commission’s regulations, the undersigned certifies that a copy of this filing has been served electronically on Midwestern’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 Part 390 of the Commission’s regulations. In addition, a copy of this filing is available for public inspection during regular business hours at Midwestern’s office at 100 West Fifth Street, Tulsa, Oklahoma 74103.

Midwestern respectfully requests that all Commission orders and correspondence, as well as pleadings and correspondence from other persons, concerning this filing be served upon:

Denise Adams Director, Regulatory Affairs ONEOK, Inc. 100 West 5th Street Tulsa, Oklahoma 74103 (918) 732-1408 Email: <a href="mailto:regulatoryaffairs@oneok.com">regulatoryaffairs@oneok.com</a>	Lisa Nishimuta Legal Counsel, Regulatory ONEOK, Inc. 100 West 5th Street Tulsa, Oklahoma 74103 (918) 588-7730 Email: <a href="mailto:lisa.nishimuta@oneok.com">lisa.nishimuta@oneok.com</a>
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Questions pertaining to this filing may be directed to any of the individuals listed above.

Pursuant to section 385.2005 and section 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.

Respectfully submitted,

/s/ Denise Adams

Denise Adams  
Director, Regulatory Affairs  
ONEOK, Inc.  
100 West 5th Street  
Tulsa, Oklahoma 74103

Attachments

# Appendix A

## Clean Tariff Records

39. LOAD MANAGEMENT SERVICE COST RECONCILIATION ADJUSTMENT

39.1 General

- (a) This Section of these General Terms and Conditions sets forth the mechanism to reconcile through surcharges or refunds, as appropriate, differences between the cost to Company to maintain its line pack gas and the amounts Company receives or pays for such gas arising out of the purchase and sale of such gas (1) to resolve Balancing Party imbalances as provided for pursuant to Rate Schedule LMS-MA and Rate Schedule LMS-PA (2) to resolve imbalances associated with OBAs at pipeline interconnects; and/or (3) as may be otherwise necessary to maintain an appropriate level of line pack for system management purposes.
- (b) The Load Management Service Cost Reconciliation (“LMSCRA”) refund and surcharge pursuant to this Part 39 is applicable to all Customer daily imbalances at a Receipt Point and Delivery Point used under Part 7.31, Rate Schedule LMS-MA or Part 7.32, Rate Schedule LMS-PA.
- (c)
  - (i) For each Gas Day that a Customer makes use of a Receipt Point or Delivery Point for which there is no effective OBA in place such Customer will be responsible for Customer’s daily imbalances at such point and shall be responsible for any LMSCRA surcharges associated with such imbalances, which charges shall be billed to such Customer’s monthly invoice.
  - (ii) Notwithstanding the foregoing subsection (c)(i), if for any given Gas Day in which a Receipt Point or Delivery Point is not covered by Rate Schedule LMS-MA or Rate Schedule LMS-PA or by an effective OBA and Company’s Informational Postings web site does not provide notice that such point is not covered by an effective OBA prior to the Timely Nomination Cycle for that Gas Day, then any Customers making use of such point shall not be responsible for any LMSCRA refunds or surcharges at such Receipt Point or Delivery Point on that Gas Day.
  - (iii) A Customer shall not be assessed any LMSCRA refund or surcharge associated with a daily imbalance at a Receipt Point or Delivery Point to the extent such imbalance is incurred under a negotiated rate FT-A, FT-B, FT-C, FT-D, and FT-GS Agreement, unless such agreement expressly provides for the application of the LMSCRA refund or surcharge. Where customer has more than one FT-A, FT-B, FT-C, FT-D, and FTGS Agreement that includes at least one negotiated rate service agreement and all receipts or deliveries under the service agreements are made pursuant to a single LMS-MA or LMS-PA rate schedule, then any daily imbalance created under such LMS-MA or LMS-PA rate schedule will be treated as attributable to the negotiated rate agreement such that no LMSCRA refund or surcharge will apply to all of such service agreements during the term of any negotiated rate service agreement.
  - (iv) The provisions in this subsection (c) shall apply during the term of the settlement approved in Docket No. RP21-525-000.

39.2 Definitions

Load Management Annual Period - The twelve-month period beginning each November 1.

Load Management Deferred Period - The twelve-month period ending each July 31.

Load Management Deferred Beginning Balance – The balance in Company’s account 182.3, \$2,695,161 due to Company as of October 31, 2020 to be amortized over a five-year period beginning November 1, 2021 as a component of the Load Management Service Cost Reconciliation.

Load Management Annual Beginning Balance Amortization – The amortization which is one fifth of the Load Management Deferred Beginning Balance which is annually added to the Load Management Deferred Account balance in 39.3(b) below.

### 39.3 Load Management Cost Reconciliation

- (a) Company shall refund if the calculated total of the adjusted balance of the Load Management Deferred Account is a credit. Company shall surcharge if the calculated total of the adjusted balance of the Load Management Deferred Account is a debit.
- (b) Company shall add the Load Management Annual Beginning Balance Amortization to the balance of the Load Management Deferred Account and divide such calculated total balance to be surcharged or refunded by the aggregate absolute value in quantities in Dth for which Company provided service under its LMS-MA and LMS-PA Rate Schedules during the Load Management Deferred Period to calculate the "Load Management Service Cost Reconciliation Adjustment - Surcharge or Refund."
- (c) Company shall file the "Load Management Service Cost Reconciliation Adjustment - Surcharge or Refund" with the Federal Energy Regulatory Commission at least thirty Gas Days prior to each November 1 that is the beginning of the Load Management Annual Period.
- (d) The "Load Management Service Cost Reconciliation Adjustment - Surcharge or Refund" shall be shown on the Statement of Rates of Company's FERC Gas Tariff as an adjustment to Company's Rate Schedule LMS-MA and LMS-PA rate.
- (e) The total amount of any such refunds applied during any month under the "Load Management Service Cost Reconciliation Adjustment - Surcharge or Refund" shall be debited to the Load Management Deferred Account and the total amount of any such surcharges collected during any month under the "Load Management Services Cost Reconciliation Adjustment - Surcharge or Refund" shall be credited to the Load Management Deferred Account.
- (f) The Load Management Deferred Account shall be adjusted to reflect carrying charges calculated in accordance with Section 154.501 of the Commission’s regulations.

### 39.4 Termination of the Load Management Cost Reconciliation Adjustment

In the event that the Load Management Cost Reconciliation Adjustment is terminated, the balance remaining in the Load Management Deferred Account as adjusted to reflect carrying charges calculated in accordance with Section 154.501 of the Commission's Regulations, if a debit, shall be billed and, if a credit, shall be refunded to Balancing Parties on the basis of LMS-MA and LMS-PA imbalances.



# Appendix B

## Marked Tariff Records

39. LOAD MANAGEMENT SERVICE COST RECONCILIATION ADJUSTMENT

39.1 General

- (a) This Section of these General Terms and Conditions sets forth the mechanism to reconcile through surcharges or refunds, as appropriate, differences between the cost to Company to maintain its line pack gas and the amounts Company receives or pays for such gas arising out of the purchase and sale of such gas (1) to resolve Balancing Party imbalances as provided for pursuant to Rate Schedule LMS-MA and Rate Schedule LMS-PA (2) to resolve imbalances associated with OBAs at pipeline interconnects; and/or (3) as may be otherwise necessary to maintain an appropriate level of line pack for system management purposes.
- (b) The Load Management Service Cost Reconciliation (“LMSCRA”) refund and surcharge pursuant to this Part 39 is applicable to all Customer daily imbalances at a Receipt Point and Delivery Point used under Part 7.31, Rate Schedule LMS-MA or Part 7.32, Rate Schedule LMS-PA.
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  - (i) For each Gas Day that a Customer makes use of a Receipt Point or Delivery Point for which there is no effective OBA in place such Customer will be responsible for Customer’s daily imbalances at such point and shall be responsible for any LMSCRA surcharges associated with such imbalances, which charges shall be billed to such Customer’s monthly invoice.
  - (ii) Notwithstanding the foregoing subsection (c)(i), if for any given Gas Day in which a Receipt Point or Delivery Point is not covered by Rate Schedule LMS-MA or Rate Schedule LMS-PA or by an effective OBA and Company’s Informational Postings web site does not provide notice that such point is not covered by an effective OBA prior to the Timely Nomination Cycle for that Gas Day, then any Customers making use of such point shall not be responsible for any LMSCRA refunds or surcharges at such Receipt Point or Delivery Point on that Gas Day.
  - (iii) A Customer shall not be assessed any LMSCRA refund or surcharge associated with a daily imbalance at a Receipt Point or Delivery Point to the extent such imbalance is incurred under a negotiated rate FT-A, FT-B, FT-C, FT-D, and FT-GS Agreement, unless such agreement expressly provides for the application of the LMSCRA refund or surcharge. Where customer has more than one FT-A, FT-B, FT-C, FT-D, and FTGS Agreement that includes at least one negotiated rate service agreement and all receipts or deliveries under the service agreements are made pursuant to a single LMS-MA or LMS-PA rate schedule, then any daily imbalance created under such LMS-MA or LMS-PA rate schedule will be treated as attributable to the negotiated rate agreement such that no LMSCRA refund or surcharge will apply to all of such service agreements during the term of any negotiated rate service agreement.
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