

188 FERC ¶ 61,228
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Willie L. Phillips, Chairman;
Mark C. Christie, David Rosner,
Lindsay S. See and Judy W. Chang.

Viking Gas Transmission Company

Docket No. RP24-1024-000

ORDER ACCEPTING TARIFF RECORD AND GRANTING WAIVER

(Issued September 30, 2024)

1. On August 30, 2024, Viking Gas Transmission Company (Viking) filed a revised tariff record¹ to implement an interim adjustment lowering its Electric Power Cost Recovery Adjustment (EPCRA) rate. Viking requests that the Commission grant Viking a temporary, limited waiver of sections 36.2.3 and 36.2.4 of the General Terms & Conditions (GT&C) of its tariff to allow it to calculate the EPCRA rate with less than 12 months of actual cost history. As discussed below, we accept the proposed tariff record, effective October 1, 2024, and grant the waiver request.

I. Waiver Request and Tariff Filings

2. Viking proposes an interim adjustment lowering its EPCRA rate from \$0.0373 to \$0.0098 per dekatherm to address a growing over-recovered balance of its deferred electric power costs (EPC), and requests a limited waiver of GT&C sections 36.2.3 and 36.2.4 of its tariff to implement the new EPCRA rate, effective October 1, 2024.² Viking states that its over-recovery of actual EPCs from December 2023 through July 2024 has grown by more than \$804,926.³ Viking also states that this proposed interim EPCRA adjustment is not intended to

¹ Viking, Viking - FERC Gas Tariff, pt. 5.0 (Statement of Rates) (63.0.0).

² Transmittal at 2. The EPCRA rate is the sum of (1) the current EPC charge and (2) the deferred EPC charge. Viking, Viking - FERC Gas Tariff, pt. 8.36 (GT&C - Elec. Power Cost Recovery Adjustment) (2.0.0), § 36.2.2 (Computation of EPCRA).

³ Transmittal at 2.

impact Viking's tariff requirement to file an annual EPCRA adjustment, to be effective April 1, 2025.⁴

3. In addition, Viking states that waiver of GT&C sections 36.2.3 and 36.2.4 is needed to allow calculation of the EPCRA rate with less than 12 months' history of actual costs and receipt quantities for electric-powered compressor units⁵ because there is only eight months of history for such units that went into service in December 2023.⁶ Accordingly, Viking states that it uses actual results from December 2023 through July 2024 in calculating the proposed EPCRA rate, and estimates for August 2024 through March 2025 to recover estimated future power costs adjusted for the current over-recovered deferred EPC balance.⁷ Viking asserts that the requested waiver will not harm shippers because it allows Viking to minimize the balance of deferred EPC due from or due to its shippers, while continuing to charge the EPCRA rate to provide for recovery of costs associated with operation of the electric-powered compressor units.⁸

II. Notice and Responsive Pleadings

4. Public notice of the filing was issued on August 30, 2024. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.⁹ Pursuant to Rule 214,¹⁰ all timely motions to intervene are granted. No protests or adverse comments were filed.

⁴ *Id.*

⁵ GT&C section 36.2.3 of Viking's tariff requires calculating the current EPC charge by dividing the cost of electric power purchased by or for company use to operate electric-powered compressor units for the previous 12 months by the confirmed scheduled receipt quantities for the previous 12 months. Viking, Viking - FERC Gas Tariff, pt. 8.36 (GT&C - Elec. Power Cost Recovery Adjustment) (2.0.0), § 36.2.3 (Computation of Current EPC Charge). GT&C section 36.2.4(e) provides that the deferred EPC charge as calculated in interim EPCRA filings will generally be based on "confirmed scheduled receipt quantities for the previous 12 months." *Id.* § 36.2.4(e).

⁶ Transmittal at 2-3.

⁷ *Id.* at 3.

⁸ *Id.*

⁹ 18 C.F.R. § 154.210 (2024).

¹⁰ 18.C.F.R. § 385.214 (2024).

III. Discussion

5. We accept Viking's proposed tariff record, effective October 1, 2024, and grant the waiver request. We evaluate the request for waiver of Viking's tariff provisions using the "four-factor test." The Commission has granted waiver of tariff provisions where: (1) the applicant acted in good faith; (2) the waiver is of limited scope; (3) the waiver addresses a concrete problem; and (4) the waiver does not have undesirable consequences, such as harming third parties.¹¹ We find that the circumstances of the instant case satisfy the foregoing criteria.

6. First, we find that Viking acted in good faith by submitting this filing on August 30, 2024, in advance of the proposed effective date of October 1, 2024. Second, we find that the waiver is limited in scope because Viking seeks a one-time waiver of its tariff to allow it to lower the EPCRA rate while it establishes the historical record needed as required by the tariff provisions. Third, we find that the requested waiver addresses a concrete problem because, absent the waiver, Viking would be unable to comply with the historical record requirements for calculating its EPCRA rate. Finally, we find that the requested waiver does not result in undesirable consequences, such as harm to third parties. Allowing Viking to use eight months of actual and estimated costs and receipts for the electric-powered compressor units to calculate the EPCRA rate addresses the lack of a 12-month historical record contemplated by the EPCRA tariff provisions and the growing over-recovery of EPCs. Further, no party opposes Viking's waiver request.

The Commission orders:

(A) Viking's tariff record is hereby accepted, effective October 1, 2024, as discussed in the body of this order.

(B) Viking's waiver request is hereby granted, as discussed in the body of this order.

By the Commission.

(S E A L)

Debbie-Anne A. Reese,
Acting Secretary.

¹¹ See, e.g., *Citizens Sunrise Transmission LLC*, 171 FERC ¶ 61,106, at P 10 (2020); *Midcontinent Indep. Sys. Operator, Inc.*, 154 FERC ¶ 61,059, at P 13 (2016).

Document Content(s)

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August 30, 2024

Ms. Debbie-Anne Reese, Acting Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Viking Gas Transmission Company
Electric Power Cost Recovery Adjustment – Interim Filing
Docket No. RP24-____-000

Dear Ms. Reese:

Pursuant to section 4 of the Natural Gas Act and Part 154 of the regulations of the Federal Energy Regulatory Commission (“Commission”),¹ Viking Gas Transmission Company (“Viking”) respectfully submits for filing and acceptance the tariff record listed below for inclusion in its FERC Gas Tariff, Volume No. 1 (“Tariff”). The proposed tariff records are submitted to become effective October 1, 2024.

Part 5.0.0, Statement of Rates, v. 63.0.0

Statement of Nature, Reasons and Basis for the Proposed Changes

Section 36 of Viking’s General Terms and Conditions (GT&C) presents the calculation of the electric power recovery cost adjustment (“EPCRA”) that provides for the recovery of electric power costs (“EPC”) incurred by Viking for compression of natural gas and for Viking’s use and operations at stations with electric compression. The purpose of this filing is to request approval of an interim adjustment lowering the EPCRA rate to address a growing over-recovered balance of Viking’s deferred EPC. Requesting an interim adjustment is consistent with the proposed changes to Section 36.2.4 Computation of Deferred EPC Charge filed August 19, 2024 in Docket No. RP24-981-000² allowing adjustments, where necessary, for known variations from actual experience in Viking’s reasonable discretion. Because the

¹15 U.S.C. § 717; 18 C.F.R. Part 154.

² On August 19, 2024, in Docket No. RP24-979-000 Viking filed a change to Part 5.0, Statement of Rates (“Settlement Rates”) and Part 8.36, Electric Power Cost Recovery Adjustment, to implement settlement tariff records and associated tariff records approved by Letter Order on July 31, 2024 under its Section 4 Rate Case in Docket No. RP23-917-006 to be effective February 1, 2024. *Viking Gas Transmission Company*, 188 FERC ¶ 61,093 (2024). On August 19, 2024, in Docket No. RP24-981-000, Viking filed an additional change to Part 5.0, Statement of Rates, of its Tariff to consolidate and incorporate the Settlement Rates and previously approved Part 5.0 rates under Docket No. RP24-563-000 (“Interim Rates”) to be effective April 1, 2024. Because the Settlement Rates and the Interim Rates are still pending Commission approval, the attached tariff record in the present filing reflects the proposed rate changes in Part 5.0.

proposed tariff changes allowing interim adjustments approved as part of the Settlement are pending final approval, to the extent necessary, Viking also seeks Commission approval of certain waivers of Viking's Tariff to allow calculation of the EPCRA with less than 12 months' actual cost history. Viking proposes the requested update to its EPCRA and Statement of Rates be effective October 1, 2024, as permitted by section 36.2.4(e) of its Tariff³.

Explanation of Current Over Recovered Deferred EPC

Viking last filed to update its EPCRA on February 22, 2024, to be effective April 1, 2024.⁴ Since Viking's February 22, 2024 filing to adjust the EPCRA rate for 2024, Viking's deferred EPC balance has continued to develop an over-recovery position, as noted in Schedule 3, provided in Appendix A. The deferred EPC balance as of July 31, 2024, reflects a rate based on an estimated 12-month cost of electric power. The over-recovery from December 2023 through July 2024, the accumulative months of actual electric power costs, has grown by \$804,926. Viking's proposed interim adjustment will reduce the rate charged to customers and more closely align the actual cost experience to the ongoing recovery of those costs, as illustrated by Schedule 4 in Appendix A.

Requested EPCRA Rate Effective October 1, 2024

The revised Part 5.0 tariff record submitted herewith reflects a change in the EPCRA surcharge applicable under all of Viking's transportation rate schedules from \$0.0373 to \$0.0098 per dekatherm. The workpapers attached hereto as Appendix A provide supporting calculations used in deriving the proposed interim surcharge. Viking proposes an effective date of October 1, 2024, for the EPCRA included herein. This interim filing is not intended to impact Viking's Tariff requirement to file an annual EPCRA Adjustment, to be effective April 1, 2025.

Proposed Temporary, Limited, and Prospective Waiver of Part 8, Section 36 of Viking's Tariff

As mentioned above, Viking respectfully requests a temporary, limited, and prospective waiver of Electric Power Cost Adjustment sections 36.2.3 and 36.2.4(d) of its Tariff. Viking implemented its EPCRA Tariff provisions effective January 1, 2024, and because of that timing, certain historical and period ending balance information contemplated in the Tariff does not exist for the prior periods.

Currently, Section 36.2.3 describing computation of the current electric power cost ("EPC") charge directs the charge "shall be calculated by dividing [t]he cost of electric power purchased by or for Company for use in operation of electric powered compressor units...for the previous 12 months; by the confirmed scheduled receipt quantities for the previous 12 months." Viking placed into service replacement compression facilities using electric powered compressor units

³ *Viking Gas Transmission Company*, Compliance Filing to Implements Settlement Tariff Records, Docket No. RP24-979-000, (filed August 19, 2024).

⁴ *Viking Gas Transmission Company*, Electric Power Cost Recovery Adjustment – 2024 Rate, Docket No. RP24-416-000, *approved* Letter Order of March 26, 2024.

in December 2023⁵ and as such does not have a 12-month history of the cost of electric power purchased for use in operation of the electric powered compressor units or confirmed scheduled receipt quantities. Viking in this filing is utilizing actual results from December 2023 through July 2024 (Line 1-8 of Schedule 3 in Appendix A) and estimates for August 2024 through March 2025 (Line 9-16 of Schedule 3 in Appendix A) to recover estimated future power costs adjusted for the current over-recovered deferred electric power cost balance.

Section 36.2.4(d) for computation of the annual electric power cost charge adjustment directs that “The Annual EPC Charge Adjustment shall be computed by dividing (1) the positive or negative balance in the applicable Deferred Company’s EPC Account as of December 31 of the previous year by (2) the confirmed scheduled receipt quantities for the previous 12 months.” Because Viking’s Tariff provisions implementing the EPCRA became effective January 1, 2024, there is no balance as of December 31 of the previous year.⁶ Accordingly, Viking in this filing uses 8-months of actual costs and an estimated 8-month of costs for its Deferred Electric Power Cost (Schedule 4 in Appendix A).

Viking makes this request in good faith. The waiver requested here is limited to this application and the facts presented herein. The issue presented is of a concrete nature. No party is harmed by the requested waiver. The result sought here is beneficial: Viking asserts that deviating in this manner from its Tariff’s EPCRA calculation allows Viking to work towards a minimal balance of deferred EPC due from or due to its shippers, while continuing to charge the EPCRA rate to provide for recovery of costs associated with operation of the electric powered compressor units as contemplated by the Commission’s approval of its EPCRA Tariff provisions. Viking’s request is also consistent with the pending proposed tariff changes approved in the Settlement. Viking requests that the Commission approve the temporary, limited, and prospective waiver to its Tariff and approve the requested EPCRA rates as noted above.

Materials Enclosed

In accordance with section 154.7 of the Commission’s regulations, Viking 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.

⁵ Viking submitted notifications to the Advance Notice Dockets for the project: Frazee under Docket No. CP22-500-000 (filed December 11, 2023) and Ada under Docket No. CP22-499-000 (filed December 14, 2023).

⁶ *Id.*

5. Appendix C – the workpapers providing supporting calculations used in deriving the proposed surcharge.

Proposed Effective Date

Pursuant to section 154.7(a)(3) of the Commission’s regulations, Viking respectfully requests that the tariff record submitted herewith be approved effective October 1, 2024. In accordance with section 154.7(a)(9) of the Commission’s regulations, Viking hereby 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

Pursuant to section 154.7(a)(7) of the Commission’s regulations, Viking has not identified any additional waivers of the Commission’s regulations needed to permit its filing to become effective as proposed; however, Viking 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 record may be made effective as proposed.

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 Viking’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 Viking’s office at 100 West Fifth Street, Tulsa, Oklahoma 74103.

It is requested that a copy of all communications, correspondence, and pleadings with respect to this filing be sent to:

Denise Adams Senior Director, Regulatory Affairs ONEOK, Inc. 100 West 5th Street Tulsa, Oklahoma 74103 (918) 732-1408 Email: regulatoryaffairs@oneok.com	Lisa Nishimuta Legal Counsel – Senior, Regulatory ONEOK, Inc. 100 West 5th Street Tulsa, Oklahoma 74103 (918) 588-7730 Email: lisa.nishimuta@oneok.com
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Any questions regarding this filing may be directed to Denise Adams at (918) 732-1408.

Ms. Debbie-Anne Reese, Acting Secretary

August 30, 2024

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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