

#### NORTHWEST PIPELINE LLC

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August 30, 2018

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

**Re:** Northwest Pipeline LLC

Docket No. RP18-

Dear Ms. Bose:

Pursuant to Part 154 of the regulations of the Federal Energy Regulatory Commission ("Commission" or "FERC"), Northwest Pipeline LLC ("Northwest") tenders for filing and acceptance the following tariff sheet as part of its FERC Gas Tariff, Fifth Revised Volume No. 1 ("Tariff"):

# Twenty-second Revised Sheet No. 14

By this filing, Northwest proposes to decrease its fuel reimbursement factor ("Factor") for Northwest's transportation services under Rate Schedules TF-1<sup>1</sup>, TF-2, TI-1 and DEX-1 from 1.16% to 1.00%. The Factor provides in-kind reimbursement to Northwest for fuel gas used and gas lost and unaccounted-for ("L&U") in its transmission system operations.

# Statement of Nature, Reasons and Basis for the Filing

Northwest is submitting this filing to comply with Section 14.12 of the General Terms and Conditions ("GT&C") contained in Northwest's Tariff, which requires the Factor for the transportation rate schedules to be determined semi-annually to become effective on April 1 and October 1 of each year.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> In addition to the Rate Schedule TF-1 Factor, a fixed 0.50% Evergreen Expansion Incremental Surcharge applies to the quantity of gas nominated for receipt at the Sumas, SIPI, or Pacific Pool receipt points under Evergreen Expansion service agreements.

<sup>&</sup>lt;sup>2</sup> Factors for Northwest's storage rate schedules SGS-2F, SGS-2I, LS-2F, LS-3F, LS-2I and LD-4I are determined annually to become effective April 1 of each year.

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Northwest typically bases its projected transportation quantities, fuel usage and L&U on historical averages. Northwest has continued to use that methodology in making the current projections for its Factor.

The proposed 1.00% Factor is designed to recover the anticipated fuel usage and L&U, and to true-up the variance between fuel reimbursed and fuel used (including L&U) for prior periods. This Factor is proposed to be used during the upcoming October 2018 through March 2019 period for transportation services under Rate Schedules TF-1, TF-2, TI-1 and DEX-1. The attached Exhibit A and Appendix included herein show the data and formulas used to derive the proposed Factors.

# Filings Pending Before the Commission

In compliance with 18 CFR § 154.204(f), Northwest states that it has no other tariff filings pending before the Commission that may significantly impact this filing.

# Effective Date and Waiver Request

Northwest hereby moves that the proposed Tariff sheet be made effective October 1, 2018, or at the end of any suspension period which may be imposed by the Commission. Northwest requests that the Commission grant any waivers it may deem necessary for the acceptance of this filing.

# **Procedural Matters**

Pursuant to the applicable provisions in Section 154 of the Commission's regulations, Northwest submits an eTariff .xml filing package, containing the following items:

- Proposed tariff sheet,
- Marked tariff sheet, and
- Transmittal letter, Exhibit A and Appendix.

# Service and Communications

In compliance with 18 CFR § 154.7(b), Northwest certifies that copies of this filing have been served electronically upon Northwest's customers and upon interested state regulatory commissions.

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All communications regarding this filing should be served by e-mail to:

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The undersigned certifies that the contents of this filing are true and correct to the best of his knowledge and belief and he possesses full power and authority to sign this filing.

Respectfully submitted,

# NORTHWEST PIPELINE LLC

# David Madsen

Director, Business Development & Regulatory Affairs

**Enclosures** 

# STATEMENT OF FUEL USE REQUIREMENTS FACTORS FOR REIMBURSEMENT OF FUEL USE

Applicable to Transportation Service Rendered Under Rate Schedules Contained in this Tariff, Fifth Revised Volume No. 1

The rates set forth on Sheet Nos. 5, 6, 7, 8 and 8-A are exclusive of fuel use requirements. Shipper shall reimburse Transporter in-kind for its fuel use requirements in accordance with Section 14 of the General Terms and Conditions contained herein.

The fuel use reimbursement furnished by Shippers shall be as follows for the applicable Rate Schedules included in this Tariff:

Rate Schedules TF-1, TF-2, TI-1, and DEX-1	1.00 <del>16</del> %
Rate Schedule TF-1 - Evergreen Expansion	
Incremental Surcharge (1)	0.50%
Rate Schedule TFL-1	_
Rate Schedule TIL-1	_
Rate Schedules SGS-2F and SGS-2I	0.17%
Rate Schedules LS-2F, LS-3F and LS-2I	
Liquefaction	0.53%
Vaporization	0.53%
Rate Schedule LD-4I	
Liquefaction	0.53%

The fuel use factors set forth above shall be calculated and adjusted as explained in Section 14 of the General Terms and Conditions. Fuel reimbursement quantities to be supplied by Shippers to Transporter shall be determined by applying the factors set forth above to the quantity of gas nominated for receipt by Transporter from Shipper for transportation, Jackson Prairie injection, Plymouth liquefaction, Plymouth vaporization, or for deferred exchange, as applicable.

#### Footnote

(1) In addition to the Rate Schedule TF-1 fuel use requirements factor, the Evergreen Expansion Incremental Surcharge will apply to the quantity of gas nominated for receipt at the Sumas, SIPI or Pacific Pool receipt points under Evergreen Expansion service agreements.

# STATEMENT OF FUEL USE REQUIREMENTS FACTORS FOR REIMBURSEMENT OF FUEL USE

Applicable to Transportation Service Rendered Under Rate Schedules Contained in this Tariff, Fifth Revised Volume No. 1

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The fuel use reimbursement furnished by Shippers shall be as follows for the applicable Rate Schedules included in this Tariff:

Rate Schedules TF-1, TF-2, TI-1, and DEX-1	1.00%
Rate Schedule TF-1 - Evergreen Expansion	
Incremental Surcharge (1)	0.50%
Rate Schedule TFL-1	_
Rate Schedule TIL-1	_
Rate Schedules SGS-2F and SGS-2I	0.17%
Rate Schedules LS-2F, LS-3F and LS-2I	
Liquefaction	0.53%
Vaporization	0.53%
Rate Schedule LD-4I	
Liquefaction	0.53%

The fuel use factors set forth above shall be calculated and adjusted as explained in Section 14 of the General Terms and Conditions. Fuel reimbursement quantities to be supplied by Shippers to Transporter shall be determined by applying the factors set forth above to the quantity of gas nominated for receipt by Transporter from Shipper for transportation, Jackson Prairie injection, Plymouth liquefaction, Plymouth vaporization, or for deferred exchange, as applicable.

#### . . .

Footnote

(1) In addition to the Rate Schedule TF-1 fuel use requirements factor, the Evergreen Expansion Incremental Surcharge will apply to the quantity of gas nominated for receipt at the Sumas, SIPI or Pacific Pool receipt points under Evergreen Expansion service agreements.

# Derivation of Fuel Factors to be Effective October 1, 2018

(Section No. refers to the General Terms and Conditions of Northwest's Tariff)

# Calculation for Rate Schedules TF-1, TF-2, TI-1, DEX-1

Line No.	Section No.	Description	Dth	Note <u>No.</u>
1	14.12(a)	Average Oct Mar. fuel usage during last three seasons	4,949,018	(i)
2	14.12(a)	Elimination of Projected Evergreen Expansion incremental surcharge reimbursement	(101,664)	(vi)
3	14.12(g)	Cumulative under / (over)-recovery of fuel as of Jun. 30, 2018	(895,803)	(ii)
4		Total projected fuel usage	3,951,551	
5	14.12(b)	Average projected lost and unaccounted-for gas (gain)	(310,823)	(iii)
6	14.12(g)	Cumulative under / (over)-recovery of L&U as of Jun. 30, 2018	584,351	(iv)
7		Total projected lost and unaccounted-for gas	273,529	
8	14.12(c)	Quantities to be credited by Northwest		
9	14.12(e)	Total projected fuel and lost and unaccounted-for gas	4,225,079	
10	14.12(d)	Projected transportation receipts	421,182,532	(v)
11	14.12(e)	Factor (line 9 divided by line 10)	1.00%	
Notes	to Page 1	of Exhibit A		
(i)	Fueluses	projected as follows:	Dth	
(1)	_	projected as follows:		
		ct. 2017 - Mar. 2018 fuel usage	4,462,338	
		ct. 2016 - Mar. 2017 fuel usage ct. 2015 - Mar. 2016 fuel usage	4,987,819 5,396,896	
		rage Oct Mar. fuel usage during last three seasons	4,949,018	
(ii)	Fuel usage	true-up adjustment calculated as follows:		
	Cumulative	under / (over)-recovery of fuel as of Dec. 31, 2017 per true-up adj. in Apr. 1, 2018 filing	(804,432)	
		nn Jun. 2018 fuel usage	5,030,992	
	Fuel Adj		4 220 500	
	rotarb	efore fuel reimbursements	4,226,560	
	Actual Jan.	- Jun. 2018 fuel reimbursements		
		system reimbursements	5,034,314	
		Expansion incremental surcharge reimbursements	88,049	
		is Pursuant to GT&C Section 32	-	(1)
	Total Fuel	Reimbursements	5,122,363	
	Cumulative	under / (over)-recovery of fuel as of Jun. 30, 2018	(895,803)	

(1) Northwest does not have any transactions pursuant to GT&C Section 32 that need to be recovered in this filing.

# Derivation of Fuel Factors to be Effective October 1, 2018

# Calculation for Rate Schedules TF-1, TF-2, TI-1, DEX-1

Notes to Page 1 of Exhibit A (continued)	Dul	
(iii) Lost and unaccounted-for gas projected as follows:	Dth	
Twelve months ended Jun. 2018 actual lost and unaccounted-for gas (gain) Twelve months ended Jun. 2017 actual lost and unaccounted-for gas (gain) Twelve months ended Jun. 2016 actual lost and unaccounted-for gas (gain) Average twelve months lost and unaccounted-for gas during last three years	(16,814) (904,029) (944,092) (621,645)	
Six month lost and unaccounted-for gas (gain) (twelve month average divided by 2) Out of period adjustments or other forecast adjustments Average projected lost and unaccounted-for gas (gain)	(310,823)	(2)
(iv) Lost and unaccounted-for gas true-up adjustment determined as follows:		
Cumulative under / (over)-recovery of L&U as of Dec. 31, 2017 per true-up adj. in Apr. 1, 2018 filing Actual Jan Jun. 2018 lost and unaccounted-for gas  Total under / (over)-recovery  Less: allocations of reimbursements between Jan - Jun. 2018 for lost and unaccounted-for gas  Cumulative under / (over)-recovery of L&U as of Jun. 30, 2018	(81,997) 221,303 139,306 (445,045) 584,351	
(v) Transportation receipt quantities projected as follows:		
Actual Oct. 2017 - Mar. 2018 delivered transportation Actual Oct. 2016 - Mar. 2017 delivered transportation Actual Oct. 2015 - Mar. 2016 delivered transportation Average Oct Mar. delivered transportation during last three seasons	435,150,251 410,632,304 404,784,812 416,855,789	
Projected Oct. 2018 - Mar. 2019 delivered transportation Projected Oct. 2018 - Mar. 2019 fuel and lost and unaccounted-for gas receipts Projected Evergreen Expansion incremental surcharge reimbursement Projected transportation receipts	416,855,789 4,225,079 101,664 421,182,532	
(vi) Evergreen Expansion incremental surcharge reimbursement projected as follows:		
Actual Oct. 2017 - Mar. 2018 delivered transportation Actual Oct. 2016 - Mar. 2017 delivered transportation Actual Oct. 2015 - Mar. 2016 delivered transportation Average Oct Mar. delivered transportation during last three seasons	22,059,279 17,733,837 20,290,192 20,027,769	
Projected Oct. 2018 - Mar. 2019 delivered transportation.  Projected Oct. 2018 - Mar. 2019 fuel and lost and unaccounted-for gas receipts using a factor of 1.00% plus 0.50% incremental surcharge	20,027,769 304,991	
Projected Oct. 2018 - Mar. 2019 receipts for Evergreen Expansion shippers Evergreen Expansion incremental surcharge	20,332,761 0.50%	
Projected Evergreen Expansion incremental surcharge reimbursement	101,664	

(2) Northwest does not have any out-of-period or other adjustments that need to be recovered in this filing.

# Northwest Pipeline LLC Detail of 2018 Actuals Used to Derive Fuel Factors to be Effective October 1, 2018 (Dth)

			Transportation			
•	Fuel	Delivered	Lost and	Adjusted	Reimburse	ements
<b>Month</b>	<u>Usage</u>	<b>Transportation</b>	<u>Unaccounted</u>	Volumes	System-Wide	<u>Evergreen</u>
Jan-18	1,075,986	80,510,041	96,310	-	870,277	25,302
Feb-18	756,020	71,116,713	(54,158)	-	812,410	14,630
Mar-18	689,468	74,495,924	(31,132)		717,821	15,642
•	2,521,474	226,122,678	11,020	-	2,400,508	55,574
Apr-18	811,472	60,840,756	67,883	-	751,917	14,516
May-18	782,339	61,714,141	20,914	-	713,117	8,373
Jun-18	915,707	65,580,557	121,486	-	723,727	9,586
•	2,509,518	188,135,454	210,283	-	2,188,761	32,475
Total	5,030,992	414,258,132	221,303		4,589,269	88,049
Reference:						
	Exhibit A		Exhibit A	Exhibit A	Appendix	Exhibit A
	Page 1		Page 2	Page 1	Page 2	Page 1
	Note (ii)		Note (iv)	Line 8		Note (ii)

# Detail of 2018 Actuals Used to Derive Fuel Factors to be Effective October 1, 2018 (Dth)

#### Allocation of January - June 2018 Transportation Reimbursements

Jan. - Mar. 2018 reimbursements allocated between fuel usage and lost and unaccounted-for gas based on projections and true-ups included in the Oct. 1, 2017 Factor calculation:

#### Allocation of Projections and True-ups:

Projected fuel usage	4,513,851	110.68%
Projected lost and unaccounted-for gas	(435,456)	-10.68%
Total projections (includes true-ups)	4,078,395	100.00%

# Allocation of Reimbursements to:

		Lost and	
	Fuel	Unaccounted	Total
Actual Reimbursements			2,400,508
Allocated percentage	110.68%	-10.68%	100.00%
Allocated reimbursements	2,656,882	(256,374)	2,400,508

Apr. - Jun. 2018 reimbursements allocated between fuel usage and lost and unaccounted-for gas based on projections and true-ups included in the Apr. 1, 2018 Factor calculation:

# Allocation of Projections and True-ups:

Projected fuel usage	4,296,934	108.62%
Projected lost and unaccounted-for gas	(341,067)	-8.62%
Total projections (includes true-ups)	3,955,867	100.00%

# Allocation of Reimbursements to:

		Lost and	
	Fuel	Unaccounted	Total
Actual Reimbursements			2,188,761
Allocated percentage	108.62%	-8.62%	100.00%
Allocated reimbursements	2,377,432	(188,671)	2,188,761

# Total Jan. - Jun. 2018 Allocated Transportation Reimbursements

# Allocation of Reimbursements to:

			Lost and	
		Fuel	Unaccounted	Total
Jan Mar. 2018	_	2,656,882	(256,374)	2,400,508
Apr Jun. 2018		2,377,432	(188,671)	2,188,761
		5,034,314	(445,045)	4,589,269
	Reference:			
		Exhibit A	Exhibit A	
		Page 1	Page 2	
		Note (ii)	Note (iv)	

# Detail of Actuals Used to Derive Fuel Factors to be Effective October 1, 2018 (Dth)

Monthly Detail of Historical Transportation Actuals Used to Derive Forecast

-		Transportation		
				Delivered
	Fuel	Delivered	Lost and	Evergreen
<u>Month</u>	<u>Usage</u>	<u>Transportation</u>	Unaccounted	Markets
Jul-17			(26,549)	
Aug-17			107,852	
Sep-17			(85,857)	
Oct-17	419,929	57,007,763	(57,814)	4,030,805
Nov-17	663,346	65,811,577	(13,950)	4,204,426
Dec-17	857,589	86,208,233	(193,022)	4,984,155
Jan-18	1,075,986	80,510,041	96,310	2,899,871
Feb-18	756,020	71,116,713	(54,158)	3,080,821
Mar-18	689,468	74,495,924	(31,132)	2,859,201
Apr-18			67,990	
May-18			41,074	
Jun-18			132,442	
=	4,462,338	435,150,251	(16,814)	22,059,279
Jul-16			(201,915)	
Aug-16			(61,843)	
Sep-16			68,927	
Oct-16	538,709	52,782,059	(72,926)	3,209,610
Nov-16	717,920	53,633,236	(16,314)	2,728,658
Dec-16	686,090	85,202,669	97,030	4,390,875
Jan-17	1,093,913	90,134,756	(196,146)	3,824,819
Feb-17	1,158,794	63,730,630	(178,418)	1,688,728
Mar-17	792,393	65,148,954	(108,297)	1,891,147
Apr-17	. 02,000	00,1.10,00	(106,941)	.,00.,
May-17			(47,927)	
Jun-17			(79,259)	
	4,987,819	410,632,304	(904,029)	17,733,837
Jul-15			145,849	
Aug-15			8,435	
Sep-15			222,237	
Oct-15	700,751	53,035,794	(736,014)	2,478,708
Nov-15	576,930	68,007,220	(127,201)	3,986,175
Dec-15	1,058,141	78,130,514	(62,190)	3,543,562
Jan-16	1,163,580	78,945,861	(37,846)	4,130,460
Feb-16	1,087,963	63,903,848	(231,442)	2,847,417
Mar-16	809,531	62,761,575	(122,433)	3,303,870
Apr-16			43,323	
May-16			(31,257)	
Jun-16			(15,553)	
=	5,396,896	404,784,812	(944,092)	20,290,192
Reference	ce:			
	Exhibit A	Exhibit A	Exhibit A	Exhibit A
	Page 1	Page 2	Page 2	Page 2
	Note (i)	Note (v)	Note (iii)	Note (vi)
	(-)	( - /	()	( /