



NORTHWEST PIPELINE LLC
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January 18, 2019

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

Re: Northwest Pipeline LLC
Docket No. RP19-

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-Third Revised Sheet No. 14

By this filing, Northwest proposes an out-of-cycle increase to its fuel reimbursement factor (“Factor”) for Northwest's transportation services under Rate Schedules TF-1¹, TF-2, TI-1 and DEX-1 from 1.00% to 1.61%, effective February 1, 2019. 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

Pursuant to Section 14.12 of the General Terms and Conditions (“GT&C”) contained in Northwest's Tariff, the Factor is to be determined semi-annually to become effective on April 1 and October 1 of each year. A Factor of 1.00% was established for Northwest’s transportation rate schedules to be effective for the six months beginning October 1, 2018. This Factor was based on historical averages of physical deliveries, fuel usage and lost and unaccounted-for gas.

¹ 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.

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On October 9, 2018, Enbridge Westcoast Energy Inc.'s ("Enbridge") BC Pipeline experienced a rupture on its system.² Since the Enbridge rupture occurred, shippers have adjusted their flow patterns in a manner that has resulted in increased fuel utilization on Northwest's system that isn't being recovered through the current Factor.

As of November 30, 2018, Northwest's cumulative under recovery of fuel and L&U is approximately 0.7 TBtu. Northwest anticipates the December 2018 and January 2019 under recoveries will be near 0.4 TBtu for each month, bringing Northwest's estimated cumulative under recovery of fuel and L&U as of January 31, 2019, to approximately 1.5 TBtu.³

Given Northwest's limited storage flexibility, Northwest is seeking immediate approval of an out-of-cycle increase to its transportation services Factor from 1.00% to 1.61% effective, February 1, 2019. Increasing the Factor on February 1, 2019, instead of waiting until April 1, 2019, will allow Northwest to begin replenishing its storage inventory in order to minimize the levels and durations of other remedies it has under its Tariff to ensure system reliability, such as, the issuance of entitlements⁴ and operational flow orders. In addition, changing the Factor early will also mitigate the effect of the under recovery of fuel on future Factors by preventing the under recovery from growing and allowing for reimbursement of fuel over a slightly longer period.

The attached Exhibit A and Appendix show the data and formulas used to derive the proposed Factor.⁵

Northwest still intends to make its summer fuel filing in late February, to be effective on April 1, 2019, for Rate Schedules TF-1, TF-2, TI-1, DEX-1, SGS-2F, SGS-2I, LS-2F, LS-3F, LS-2I and LD-4I as outlined in Section 14.12 of the GT&C.

² Enbridge's "Critical Notice" is available at the following link: https://noms.wei-pipeline.com/notices/ci_notice.show?id=50877.

³ The 1.5 TBtu cumulative under recovery of fuel represents 47% of Northwest's total system working gas inventory of 3.2 TBtu.

⁴ Effective January 18, 2019, Northwest has declared a Stage III Entitlement until further notice (See Northwest's Critical Notice No. 19-004 dated January 17, 2019, available at <http://www.northwest.williams.com>).

⁵ The calculation of the Factor is based on the November 2018 actuals, which were booked on a month lag in December 2018 due to Northwest's accounting procedures.

Filings Pending Before the Commission

In compliance with 18 C.F.R. § 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 respectfully requests that the Commission expedite the issuance of an order and grant a waiver of the 30-day notice period contained in Section 154.207 of the Commission's regulations. Since Northwest charges fuel-in-kind on nominated quantities, Northwest requests the Commission issue an order on or before January 30, 2019 in order for the new Factor to be applied to the February 1, 2019 timely nomination cycle requests. In the absence of a Commission order by January 30, 2019, Northwest respectfully requests a Commission order by February 8, 2019, with the Factor to be effective February 1, 2019. This will give Northwest's shippers assurance that the new Factor will be in effect on February 1, 2019. It is critical to shippers that the new Factor become effective on the first day of a month because of the way gas is traded.⁶ Many shippers acquire gas for a full calendar month, and the applicable fuel factor is relevant to the quantity of gas they need to purchase.

To facilitate this expedited order, Northwest also requests a shortened comment period. Northwest requests that the Commission grant any waivers it may deem necessary for the acceptance of this filing, including waivers of the provisions set forth in Section 14.12 of the GT&C contained in Northwest's Tariff, which provide for the establishment of new transportation services Factors to be effective only on April 1 and October 1 of each year.

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.

⁶ Northwest's shippers were notified of this out-of-cycle fuel filing on January 17, 2019, which would request a new Factor of 1.61% to be effective on February 1, 2019 (*See* Northwest's Critical Notice No. 19-004 dated January 17, 2019, available at <http://www.northwest.williams.com>).

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Service and Communications

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

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. 61.00 %
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.

STATEMENT OF FUEL USE REQUIREMENTS FACTORS
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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	1.61%
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%

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Northwest Pipeline LLC

Derivation of Fuel Factors to be Effective February 1, 2019

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

Exhibit A

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

Line No.	Section No.	Description	Dth	Note No.
1	14.12(a)	Average April - September fuel usage during last three seasons	5,078,026	(i)
2	14.12(h)	Projected Evergreen Expansion incremental surcharge reimbursement	(98,799)	(vi)
3	14.12(g)	Cumulative over-recovery of fuel as of Dec. 31, 2018	(323)	(ii)
4		Total projected fuel usage	4,978,904	
5	14.12(b)	Average projected lost and unaccounted-for	0	(iii)
6	14.12(g)	Cumulative under-recovery of L&U as of Dec. 31, 2018	662,461	(iv)
7		Total under-recovery projected lost and unaccounted-for gas	662,461	
8	14.12(c)	Quantities to be credited by Northwest	0	
9	14.12(e)	Total projected fuel and lost and unaccounted-for gas usage	5,641,365	
10	14.12(d)	Projected transportation receipts	350,148,677	(v)
11	14.12(e)	Factor (line 9 divided by line 10)	1.61%	

Notes to Page 1 of Exhibit A

(i) Fuel usage projected as follows:

	Dth
Actual April - September 2018 fuel usage	5,178,002
Actual April - September 2017 fuel usage	4,803,150
Actual April - September 2016 fuel usage	5,252,925
Average April - September fuel usage during last three seasons	5,078,026

(ii) Fuel usage true-up adjustment calculated as follows:

Cumulative over-recovery of fuel as of Jun. 30, 2018 per true-up adj. in Oct. 1, 2018 filing	(895,803)
Actual July - December 2018 fuel usage	5,400,200
Fuel Adjustment	0
Total before fuel reimbursements	4,504,397

Actual July - December 2018 fuel reimbursements	
General system reimbursements	4,414,731
Evergreen Expansion incremental surcharge reimbursements	89,989
Total Fuel Reimbursements	4,504,720

Cumulative over-recovery of fuel as of Dec. 31, 2018	(323)
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Northwest Pipeline LLC

Derivation of Fuel Factors to be Effective February 1, 2019

Exhibit A (continued)

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

Notes to Page 1 of Exhibit A (continued)

	<u>Dth</u>	
(iii) Lost and unaccounted-for gas projected as follows:		
Twelve months ended December 2018 actual lost and unaccounted-for	232,360	
Twelve months ended December 2017 actual lost and unaccounted-for	(986,328)	
Twelve months ended December 2016 actual lost and unaccounted-for	(582,249)	
Average twelve months lost and unaccounted-for gas during last three years	<u>(445,406)</u>	
Six month lost and unaccounted-for gas (twelve month average divided by 2)	(222,703)	
Out of period adjustments or other forecast adjustments	222,703	(1)
Average projected lost and unaccounted-for	<u>0</u>	
(iv) Lost and unaccounted-for gas true-up adjustment determined as follows:		
Cumulative under-recovery of L&U as of Jun. 30, 2018 per true-up adj. in Oct. 1, 2018 filing	584,351	
Actual July - December 2018 lost and unaccounted-for	11,057	
Total under-recovery	<u>595,408</u>	
Less: reimbursements collected between July - Dec 2018 for lost and unaccounted-for gas	(67,053)	
Cumulative under-recovery of L&U as of Dec. 31, 2018	<u>662,461</u>	
(v) Transportation receipt quantities projected as follows:		
Actual April - September 2018 delivered transportation	381,544,166	
Actual April - September 2017 delivered transportation	321,820,652	
Actual April - September 2016 delivered transportation	329,860,721	
Average April - September delivered transportation during last three seasons	<u>344,408,513</u>	
Projected April - September 2019 delivered transportation	344,408,513	
Projected April - September 2019 fuel and lost and unaccounted-for gas receipts	5,641,365	
Projected Evergreen Expansion incremental surcharge reimbursement	98,799	
Projected transportation receipts	<u>350,148,677</u>	
(vi) Evergreen Expansion incremental surcharge reimbursement projected as follows:		
Actual April - September 2018 delivered transportation	20,378,412	
Actual April - September 2017 delivered transportation	18,305,228	
Actual April - September 2016 delivered transportation	19,380,823	
Average April - September delivered transportation during last three seasons	<u>19,354,821</u>	
Projected April - September 2019 delivered transportation	19,354,821	
Projected April - September 2019 fuel and lost and unaccounted-for gas receipts using a factor of 1.55% plus 0.50% incremental surcharge	405,077.93	
Projected April - September 2019 receipts for Evergreen Expansion shippers	19,759,899	
Evergreen Expansion incremental surcharge	0.50%	
Projected Evergreen Expansion incremental surcharge reimbursement	<u>98,799</u>	

(1) The average projected L&U for the previous twelve months resulted in an actual loss. This adjustment removes the gain that is derived by averaging the three previous years in order to more accurately reflect expected activity for this fuel filing period.

Northwest Pipeline LLC

Detail of 2018 Actuals Used to Derive Fuel Factors to be Effective February 1, 2019

(Dth)

<u>Month</u>	<u>Transportation</u>				<u>Reimbursements</u>	
	<u>Fuel Usage</u>	<u>Delivered Transportation</u>	<u>Lost and Unaccounted</u>	<u>Increase in Volumes</u>	<u>System-Wide</u>	<u>Surcharge</u>
Jul-18	909,326	66,313,757	(8,894)	0	768,960	12,985
Aug-18	1,019,995	64,897,831	(8,227)	0	777,982	23,848
Sep-18	739,163	62,197,124	(116,752)	0	761,521	27,662
	<u>2,668,484</u>	<u>193,408,712</u>	<u>(133,873)</u>	<u>0</u>	<u>2,308,463</u>	<u>64,495</u>
Oct-18	773,749	60,852,834	193,100	0	729,342	21,206
Nov-18	913,464	69,017,308	83,537	0	613,898	4,272
Dec-18	1,044,503	82,475,967	(131,707)	0	695,975	16
	<u>2,731,716</u>	<u>212,346,109</u>	<u>144,930</u>	<u>0</u>	<u>2,039,215</u>	<u>25,494</u>
Total	<u>5,400,200</u>	<u>405,754,821</u>	<u>11,057</u>	<u>0</u>	<u>4,347,678</u>	<u>89,989</u>

Reference:

Exhibit A
Page 1
Note (ii)

Exhibit A
Page 2
Note (iv)

Exhibit A
Page 1
Line 8

Northwest Pipeline LLC

Detail of 2018 Actuals Used to Derive Fuel Factors to be Effective February 1, 2019

(Dth)

Allocation of July - December 2018 Transportation Reimbursements

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

<u>Allocation of Projections and True-ups:</u>		
Projected fuel usage	4,296,934	108.62%
Projected lost and unaccounted-for gas	<u>(341,067)</u>	<u>-8.62%</u>
Total projections (includes true-ups)	<u>3,955,867</u>	<u>100.00%</u>

<u>Allocation of Reimbursements to:</u>			
	Fuel	Lost and Unaccounted	Total
Actual Reimbursements			2,308,463
Allocated percentage	108.62%	-8.62%	100.00%
Allocated reimbursements	<u>2,507,453</u>	<u>(198,990)</u>	<u>2,308,463</u>

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

<u>Allocation of Projections and True-ups:</u>		
Projected fuel usage	3,951,551	93.53%
Projected lost and unaccounted-for gas	<u>273,529</u>	<u>6.47%</u>
Total projections (includes true-ups)	<u>4,225,080</u>	<u>100.00%</u>

<u>Allocation of Reimbursements to:</u>			
	Fuel	Lost and Unaccounted	Total
Actual Reimbursements			2,039,215
Allocated percentage	93.53%	6.47%	100.00%
Allocated reimbursements	<u>1,907,278</u>	<u>131,937</u>	<u>2,039,215</u>

Total July - December 2018 Allocated Transportation Reimbursements

<u>Allocation of Reimbursements to:</u>			
	Fuel	Lost and Unaccounted	Total
July - September 2018	2,507,453	(198,990)	2,308,463
October - December 2018	1,907,278	131,937	2,039,215
	<u>4,414,731</u>	<u>(67,053)</u>	<u>4,347,678</u>

Reference:

Exhibit A	Exhibit A
Page 1	Page 2
Note (ii)	Note (iv)

Northwest Pipeline LLC
Detail of 2016-2018 Actuals Used to Derive Fuel Factors to be Effective February 1, 2019
(Dth)

Monthly Detail of Historical Transportation Actuals Used to Derive Forecast

Transportation				
<u>Month</u>	<u>Fuel Usage</u>	<u>Delivered Transportation</u>	<u>Lost and Unaccounted</u>	<u>Delivered Evergreen Markets</u>
Jan-18			96,310	
Feb-18			(54,158)	
Mar-18			(31,132)	
Apr-18	811,472	60,840,756	67,883	1,646,875
May-18	782,339	61,714,141	20,914	1,874,208
Jun-18	915,707	65,580,557	121,486	2,553,997
Jul-18	909,326	66,313,757	(8,894)	4,689,978
Aug-18	1,019,995	64,897,831	(8,227)	5,443,280
Sep-18	739,163	62,197,124	(116,752)	4,170,074
Oct-18			193,100	
Nov-18			83,537	
Dec-18			(131,707)	
	<u>5,178,002</u>	<u>381,544,166</u>	<u>232,360</u>	<u>20,378,412</u>
Jan-17			(196,146)	
Feb-17			(178,418)	
Mar-17			(108,297)	
Apr-17	892,826	57,591,582	(106,941)	1,753,361
May-17	797,889	58,115,025	(47,927)	2,805,239
Jun-17	859,224	49,640,790	(79,259)	1,139,894
Jul-17	798,327	55,727,592	(26,549)	4,221,224
Aug-17	845,320	52,258,500	107,852	5,168,627
Sep-17	609,564	48,487,163	(85,857)	3,216,883
Oct-17			(57,814)	
Nov-17			(13,950)	
Dec-17			(193,022)	
	<u>4,803,150</u>	<u>321,820,652</u>	<u>(986,328)</u>	<u>18,305,228</u>
Jan-16			(37,846)	
Feb-16			(231,442)	
Mar-16			(122,433)	
Apr-16	818,200	56,181,564	43,323	2,121,213
May-16	866,856	57,246,315	(31,257)	3,013,797
Jun-16	905,487	54,542,164	(15,553)	3,959,275
Jul-16	827,354	58,889,999	(201,915)	2,681,766
Aug-16	974,119	54,223,449	(61,843)	3,843,815
Sep-16	860,909	48,777,230	68,927	3,760,957
Oct-16			(72,926)	
Nov-16			(16,314)	
Dec-16			97,030	
	<u>5,252,925</u>	<u>329,860,721</u>	<u>(582,249)</u>	<u>19,380,823</u>

Reference:

Exhibit A Page 1 Note (i)	Exhibit A Page 2 Note (v)	Exhibit A Page 2 Note (vi)
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