



NORTHWEST PIPELINE LLC

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Houston, Texas 77251-1396

713-215-2000

December 11, 2023

Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Attention: Ms. Kimberly D. Bose, Secretary

Re: Northwest Pipeline LLC
Shipper Imbalance Penalty
Docket No. RP24-___

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act and Part 154 of the Federal Energy Regulatory Commission's ("Commission") regulations thereunder, Northwest Pipeline LLC ("Northwest") hereby tenders for filing and acceptance the following tariff records as part of its FERC Gas Tariff, Fifth Revised Volume No. 1 ("Tariff"):

Third Revised Sheet No. 237-D

Fifth Revised Sheet No. 237-E

Original Sheet No. 237-F

The proposed effective date for the tariff records is January 11, 2024.

Statement of Nature, Reasons, and Basis

Northwest proposes revisions to Section 15.10(a), Assessment of Shipper Imbalance Penalties, and 15.11, Assessment of Charges on Imbalances at Termination of Service Agreement, of the General Terms and Conditions ("GT&C") of its Tariff to incentivize shippers to resolve imbalances in kind without incurring penalties.

Northwest proposes to revise Section 15.10(a) of the GT&C to better align its penalty assessment for shipper imbalances that create shortfalls on its system with the price of gas in the current market. To encourage shippers to schedule paybacks of their imbalances, the penalty assessed by Northwest must be greater than the gas price in the current market. Otherwise, shippers have no incentive to schedule paybacks of imbalances where it is cheaper for the shippers to pay the penalty than to purchase and return the gas they owe. It is also unfair to other shippers on the system who incur greater lost and unaccounted for gas costs if Northwest is required to purchase the unreturned gas at the higher current market price.

Specifically, Section 15.7 of the GT&C of Northwest's Tariff allows a Shipper fifteen non-entitlement, balancing approved days from the date of notification to bring its excess imbalance within tolerance. If the imbalance is not brought within tolerance after the fifteen days, the shipper will pay a penalty of \$5.00 per Dth. Because gas prices in the current market often exceed \$5.00 per Dth, Northwest is proposing that shippers pay the greater of ten dollars (\$10.00) per Dth or two times the highest absolute price per Dth at NW Wyoming Pool, NW south of Green River, NW Stanfield, NW Sumas, or El Paso Bondad as reflected in the Daily Price Survey published in "Gas Daily" on the last day of the month in which the penalty was incurred. This type of penalty assessment has previously been approved by the Commission.¹

For consistency, Northwest is also proposing to revise Section 15.11 of the GT&C, which states that the penalty assessment for imbalances at the termination of a service agreement is \$5.00 per Dth, to the same penalty assessment proposed above. Northwest and the shipper are required to eliminate any cumulative imbalances existing at the termination of a service agreement within fifteen non-entitlement, balancing approved days after the date of notification of the imbalance. At the end of the fifteen-day period any imbalance gas owed to Northwest that has not been returned by shipper will be assessed a penalty charge. Northwest is proposing that rather than shipper paying a penalty of only \$5.00 per Dth, Shipper should pay the greater of ten dollars (\$10.00) per Dth or two times the highest absolute price per Dth at NW Wyoming Pool, NW south of Green River, NW Stanfield, NW Sumas, or El Paso Bondad as reflected in the Daily Price Survey published in "Gas Daily" on the last day of the month in which the penalty was incurred.

Filings Pending Before the Commission

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

Proposed Effective Date and Waiver Request

Northwest requests that the proposed tariff records submitted herein be made effective January 11, 2024. In accordance with the provisions of Section 154.7(a)(9) of the Commission's regulations, in the event the Commission elects to accept and suspend the tariff record for a minimal period, Northwest moves to place such tariff record into effect at the end of the applicable suspension period.

Materials Submitted Herewith

Pursuant to Section 154.7(a)(1) of the Commission's regulations, the following material is submitted herewith:

An eTariff XML filing package, filed as a zip (compressed) file, containing:

- (1) The tariff record in RTF format with metadata attached;
- (2) A transmittal letter in PDF format;
- (3) A clean version of the tariff record in PDF format for publishing in eLibrary;
- (4) A marked version of the tariff record in accordance with Section 154.201(a) of the

¹ Wyoming Interstate Company, Ltd., 53 FERC ¶ 61,229 at p.61,959 (1990).

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regulations; and
(5) A copy of the complete filing in PDF format for publishing in eLibrary.

Posting and Certification of Service

In accordance with the provisions of Section 154.2(d) of the regulations, copies of this filing are available for public inspection, during regular business hours, in a convenient form and place at Northwest's main office at 2800 Post Oak Boulevard in Houston, Texas. In addition, 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:

Bela Patel
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The undersigned certifies that the contents of this filing are true and correct to the best of her knowledge and belief and she possesses full power and authority to sign this filing.

Respectfully submitted,

NORTHWEST PIPELINE LLC



Bela Patel
Director Rates & Regulatory

Enclosures

GENERAL TERMS AND CONDITIONS
(Continued)

15. DETERMINATION OF DELIVERIES AND IMBALANCES (Continued)

(c) Transporter will not be liable for any losses incurred by a Shipper if a Shipper is unable to complete an imbalance trade once Shipper has notified Transporter of his desire to consummate an imbalance trade.

(d) Any imbalance gas being traded will still be deemed to be imbalance gas and will be subject to: 1) scheduling provisions in Section 14; 2) the priority of service provisions in Section 12; and 3) the penalty provisions in Section 15.

15.10 Assessment of Shipper Imbalance Penalties. Shipper shall have 15 non-entitlement, Balancing-Approved Days from the date of Transporter's invoice to adjust excess Shipper Imbalances as described in Section 15.7 to allowed tolerance levels or be subject to the following:

(a) For excess Shipper Imbalances resulting from confirmed nominations for deliveries by Transporter exceeding confirmed Shipper nominations for receipts from an interconnecting pipeline, Shipper shall pay a penalty per Dth to Transporter equal to the greater of ten dollars (\$10.00) or two times the highest absolute price at NW Wyoming Pool, NW south of Green River, NW Stanfield, NW Sumas, or El Paso Bondad as reflected in the Daily Price Survey published in "Gas Daily."

(b) For excess Shipper Imbalances resulting from confirmed nominations for receipt from Shipper exceeding confirmed nominations for deliveries by Transporter to an interconnecting pipeline, any such excess volumes shall become the property of Transporter at no cost to Transporter and shall be free and clear of any adverse claims related thereto.

Transporter shall exempt Shippers from Shipper Imbalance penalties resulting from OFO compliance and provide an additional 30 days to correct OFO-related Shipper Imbalances.

15.11 Assessment of Charges on Imbalances at Termination of Service Agreement. Transporter and Shipper shall eliminate any cumulative imbalances between receipts and deliveries of gas existing at the termination of a Service Agreement within 15 non-entitlement, Balancing-Approved Days after the date of Transporter's invoice. The fifteen-day period will be extended proportionately if, and to the extent that, Shipper's failure to eliminate its remaining cumulative imbalance is caused by Transporter's inability, due to operating or force majeure conditions to accommodate Shipper's make-up nominations provided such nominations are from Shipper's primary receipt point(s).

GENERAL TERMS AND CONDITIONS
(Continued)

15. DETERMINATION OF DELIVERIES AND IMBALANCES (Continued)

At the end of the 15 day period, any gas which was delivered by Transporter for which equivalent volumes were not received by Transporter from Shipper shall be paid for by Shipper, per Dth at the greater of ten dollars (\$10.00) or two times the highest absolute price at NW Wyoming Pool, NW south of Green River, NW Stanfield, NW Sumas, or El Paso Bondad as reflected in the Daily Price Survey published in "Gas Daily." Shipper shall pay such amount within 10 days after receipt of such bill. Any gas received by Transporter in excess of that delivered for Shipper which remains in Transporter's system at the end of the 15 day period shall become the property of Transporter at no cost to Transporter and free and clear of any adverse claims related thereto.

15.12 Imbalances with Other Parties. Transporter shall not be responsible for eliminating any imbalances in volumes transported that accrue between Receiving Party or Shipper and any other party, including without limitation any volume imbalances that accrue between local distribution companies and specific end-users or between producers or pipelines and local distribution companies or end-users. Furthermore, Transporter shall not be obligated to adjust or deviate from its standard operating and accounting procedures in order to alleviate such imbalances.

15.13 Netting and Trading within Operational Impact Area. NAESB WGQ Flowing Gas Related Standard 2.3.30 will apply.

15.14 LNG Boil-off Balance in Excess of Allowed Tolerances. If Shipper's Boil-off balance is more than 10,000 Dths or 10 percent of Shipper's Storage Capacity, whichever is greater, Transporter will notify Shipper that the Boil-off balance exceeds allowed tolerances. Shipper will then have 45 non-entitlement, Balancing-Approved Days to eliminate such excess balance. The 45 non-entitlement, Balancing-Approved Day period will be extended proportionately if, and to the extent that Shipper's failure to bring its balance within tolerances is caused by Transporter's inability, due to operating or force majeure conditions to accommodate Shipper's re-liquefaction/transportation request. Any excess quantities not brought within tolerance within the required timeframe shall become the property of Transporter at no cost to Transporter and will be free and clear of any adverse claims related thereto.

In the event a Service Agreement containing a Boil-off balance terminates, Shipper will have 45 non-entitlement, Balancing-Approved Days from the date of termination to eliminate the entire Boil-off balance. For any quantities owed to Shipper after this period, Transporter will take title to such quantities free and clear of any adverse claims. For any quantities owed to Transporter after this period, Transporter shall invoice Shipper for each Dth owed the greater of five dollars or two times the highest absolute price at NW Wyoming

GENERAL TERMS AND CONDITIONS
(Continued)

15. DETERMINATION OF DELIVERIES AND IMBALANCES (Continued)

Pool, NW south of Green River, NW Stanfield, NW Sumas, or El Paso Bondad as reflected in the Daily Price Survey published in "Gas Daily" for the first Gas Day after Shipper's Service Agreement termination date. Shipper shall pay such amount within 10 days of receipt of such invoice.

GENERAL TERMS AND CONDITIONS
(Continued)

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(b) For excess Shipper Imbalances resulting from confirmed nominations for receipt from Shipper exceeding confirmed nominations for deliveries by Transporter to an interconnecting pipeline, any such excess volumes shall become the property of Transporter at no cost to Transporter and shall be free and clear of any adverse claims related thereto.

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GENERAL TERMS AND CONDITIONS
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