



NORTHWEST PIPELINE LLC
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February 27, 2025

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

Attention: Ms. Debbie-Anne Reese, Secretary

Reference: Northwest Pipeline LLC
North Seattle Lateral Upgrade and South Seattle Delivery Lateral Expansion
Projects Annual Incremental Facilities Charge Update
Docket No. RP25-_____

Ladies and Gentlemen:

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 record as part of its FERC Gas Tariff, Fifth Revised Volume No. 1 ("Tariff"):

Twenty-Third Revised Sheet No. 5-B

The proposed effective date of the tariff record is April 1, 2025.

Statement of Nature, Reasons and Basis for the Filing

The purpose of this filing is to update the annual incremental facility charges for the South Seattle Delivery Lateral Expansion Project and the North Seattle Lateral Upgrade Project in compliance with the Commission's orders issued in Docket No. CP12-471¹ and Docket No. CP17-441².

Filings Pending Before the Commission

In compliance with 18 CFR § 154.204(f), Northwest states that on February 12, 2025, Northwest filed the Annual Modernization and Emissions Reduction Program Cost Recovery Mechanism (CRM) filing which updates the CRM Surcharge on the tariff record, Sheet No. 5-B. Therefore,

¹ *Northwest Pipeline GP*, 143 FERC ¶ 62,106 (2013); *reh'g denied*, 145 FERC ¶ 61,013 (2013).

Northwest was directed to file a tariff record setting forth the facility charge to be updated when the charge is annually revised pursuant to the associated facilities agreement.

² *Northwest Pipeline LLC*, 164 FERC ¶ 61,038 (2018). Northwest was directed to file a tariff record setting forth the facility charge to be updated when the charge is annually revised pursuant to the associated facilities agreement.

the Twenty Second Revised Sheet No. 5-B is pending before the Commission. There are no other tariff filings pending before the Commission that may significantly impact this filing.

Effective Date and Waiver Request

Northwest requests that the proposed tariff record submitted herein be made effective April 1, 2025. In the event the tariff record is suspended, modified, or accepted subject to conditions, in accordance with Section 154.7(a)(9) of the Commission’s regulations, Northwest reserved the right to file a later motion to place the proposed tariff record into effect at the end of the suspension period. Northwest requests that the Commission grant any waivers it may deem necessary for the acceptance of this filing.

Materials Submitted Herewith

In accordance with 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 revised 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 Commission’s regulations;
- (5) Workpapers detailing the assumptions and calculations of the annual incremental facility charge; and
- (6) 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 Commission’s 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:

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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 that she possesses full power and authority to sign this filing.

Respectfully submitted,

NORTHWEST PIPELINE LLC



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Manager - Rates & Regulatory
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Enclosures

STATEMENT OF RATES (Continued)

Effective Rates Applicable to
Rate Schedules TF-1, TF-2, TI-1, TFL-1 and TIL-1 (Continued)

Footnotes (Continued)

- (3) To the extent Transporter discounts the Maximum Base Tariff Rate, such discounts will be applied on a non-discriminatory basis, subject to the policies of Order No. 497.

Shippers receiving service under these rate schedules are required to furnish fuel reimbursement in-kind at the rates specified on Sheet No. 14.

An incremental facilities charge or other payment method provided for in Section 21 or 29 of the General Terms and Conditions, is payable in addition to all other rates and charges if such a charge is included in Exhibit C to a Shipper's Transportation Service Agreement.

In addition to the rates set forth on Sheet No. 5, Puget Sound Energy, Inc.'s Transportation Service Agreement Nos. 140053 and 143077 are subject to an annual incremental facility charge pursuant to Section 21 of the General Terms and Conditions. The effective annual incremental facility charge for the South Seattle Delivery Lateral Expansion Project is \$1,855,387, and it is billed in equal monthly one-twelfth increments with a daily incremental facility charge of \$0.07955 per Dth. The effective annual incremental facility charge for the North Seattle Lateral Upgrade Project is \$8,972,208, and it is billed in equal monthly one-twelfth increments with a daily incremental facility charge of \$0.14225 per Dth.

In addition to the reservation rates shown on Sheet No. 5, Shippers who contract for Columbia Gorge Expansion Project capacity are subject to a facility reservation surcharge pursuant to Section 3.4 of Rate Schedule TF-1. The facility charge used in deriving the Columbia Gorge Expansion Project facility reservation surcharge has a minimum rate of \$0 and a maximum rate of \$0.10646.

In addition to the reservation rates shown on Sheet No. 5, Shippers who contract service under Rate Schedules TF-1 (Large Customer), TF-1 25-Year Evergreen, and TF-2 are subject to a Modernization and Emissions Program Cost Recovery Mechanism (CRM) Surcharge pursuant to Section 30 of this Tariff. CRM Surcharge is currently \$0.02256.

STATEMENT OF RATES (Continued)

Effective Rates Applicable to
Rate Schedules TF-1, TF-2, TI-1, TFL-1 and TIL-1 (Continued)

Footnotes (Continued)

- (3) To the extent Transporter discounts the Maximum Base Tariff Rate, such discounts will be applied on a non-discriminatory basis, subject to the policies of Order No. 497.

Shippers receiving service under these rate schedules are required to furnish fuel reimbursement in-kind at the rates specified on Sheet No. 14.

An incremental facilities charge or other payment method provided for in Section 21 or 29 of the General Terms and Conditions, is payable in addition to all other rates and charges if such a charge is included in Exhibit C to a Shipper's Transportation Service Agreement.

In addition to the rates set forth on Sheet No. 5, Puget Sound Energy, Inc.'s Transportation Service Agreement Nos. 140053 and 143077 are subject to an annual incremental facility charge pursuant to Section 21 of the General Terms and Conditions. The effective annual incremental facility charge for the South Seattle Delivery Lateral Expansion Project is ~~\$2,010,8871,855,387~~, and it is billed in equal monthly one-twelfth increments with a daily incremental facility charge of ~~\$0.086220.07955~~ per Dth. The effective annual incremental facility charge for the North Seattle Lateral Upgrade Project is ~~\$9,512,7198,972,208~~, and it is billed in equal monthly one-twelfth increments with a daily incremental facility charge of ~~\$0.150820.14225~~ per Dth.

In addition to the reservation rates shown on Sheet No. 5, Shippers who contract for Columbia Gorge Expansion Project capacity are subject to a facility reservation surcharge pursuant to Section 3.4 of Rate Schedule TF-1. The facility charge used in deriving the Columbia Gorge Expansion Project facility reservation surcharge has a minimum rate of \$0 and a maximum rate of \$0.10646.

In addition to the reservation rates shown on Sheet No. 5, Shippers who contract service under Rate Schedules TF-1 (Large Customer), TF-1 25-Year Evergreen, and TF-2 are subject to a Modernization and Emissions Program Cost Recovery Mechanism (CRM) Surcharge pursuant to Section 30 of this Tariff. CRM Surcharge is currently \$0.02256.

**Northwest Pipeline LLC
South Seattle Delivery Facilities**

2025 Cost of Service Forecast

Cost of Service Summary

Particulars	1/1/2025 through 12/31/2025
Operations and Maintenance Expense	\$ 34,859
Depreciation Expense	\$ 1,408,730
Ad Valorem and Other Taxes	\$ 44,404
Federal Income Taxes	\$ 76,478
State Income Taxes	\$ 14,386
Excess Deferred Income Taxes 1/	\$ (83,488)
Return	<u>\$ 360,017</u>
Total Cost of Service	<u><u>\$ 1,855,387</u></u>
Capacity Release Rate Development:	
Cost of Service	\$ 1,855,387
Annual Billing Determinants (Dth)	23,323,500
Capacity Release Rate (Dth/d)	\$ 0.07955

1/ Per the RP22-1155 Settlement.

**Northwest Pipeline LLC
South Seattle Delivery Facilities**

Operations and Maintenance Expense

Particulars	1/1/2025 through 12/31/2025
Operations and Maintenance Expenses	\$ 13,637
Administrative and General Expenses	\$ 21,222
Total Operations and Maintenance Expense	\$ 34,859

Depreciation Expense

Particulars	1/1/2025 through 12/31/2025
Depreciation Expense	\$ 1,408,730

Taxes Other Than Income Taxes

Advalorem Taxes	\$ 42,916
Payroll Tax	\$ 1,020
Other Taxes	\$ 468
Total Taxes Other Than Income Taxes	\$ 44,404

**Northwest Pipeline LLC
South Seattle Delivery Facilities**

Federal and State Income Taxes

<u>Particulars</u>	<u>1/1/2025 through 12/31/2025</u>
Taxable Portion of Return	\$ 287,704
State Taxable Income (Grosses-up for Taxes /(1-.24))	\$ 378,568
State Income Tax Rate	<u>3.80%</u>
State Income Tax at 3.80%	<u>\$ 14,386</u>
Federal Taxable Income	\$ 364,182
Federal Income Tax Rate	<u>21.00%</u>
Federal Income Tax	<u>\$ 76,478</u>

**Northwest Pipeline LLC
South Seattle Delivery Facilities**

Rate Base and Return

Particulars	Total
Average Rate Base:	
Gas Plant in Service	\$ 20,532,033
Accumulated Depreciation	\$ (16,421,880)
Net Plant	\$ 4,110,153
Accumulated Deferred Income Taxes	\$ (513,203)
Materials and Supplies	\$ 2,528
Prepaid Insurance	\$ 693
Total Average Rate Base	\$ 3,600,171
Rate of Return	10.00%
Return	\$ 360,017

NORTHWEST PIPELINE LLC
South Seattle Lateral Facilities
2025 Cost of Service Forecast
Supporting Work Paper Assumptions

General Overview

Per the Commission's Order Issuing Certificate and Approving Abandonment in Docket No. CP12-471,¹ Northwest is required to file a tariff record setting forth the facilities charge to be updated when the facility charge is revised annually pursuant to the facilities agreement. Additionally, Northwest is required to use the facility charge as the rate for capacity releases inside the corridor established by the primary receipt and delivery points.

Per the facilities agreement, an **estimated** South Seattle Lateral Facilities cost of service is projected annually and includes all costs associated with the South Seattle Lateral Facilities including operating and maintenance expenses, administrative and general expenses, depreciation, net negative salvage, income taxes, other taxes, net excess deferred income tax amortization,² and return.

Operation and Maintenance (O&M) Expense

Directly assigned South Seattle Lateral Facilities Operation and Maintenance ("O&M") costs are accumulated in a separate work order.

Indirectly assigned O&M is allocated using the method agreed to in Northwest's Stipulation and Settlement Agreement ("Settlement") filed in Docket No. RP12-490.³

Administrative and General Expenses ("A&G") are allocated in accordance with the Kansas Nebraska methodology.

Depreciation Expense

Direct depreciation expense for the gross direct South Seattle Lateral Facilities is 6.67 percent based on a straight-line methodology over 15 years.

Net negative salvage is 0.20 percent for transmission facilities, as outlined in the RP22-1155 Settlement.⁴

Indirect depreciation expense includes general and intangible plant depreciation and amortization that is allocated using the method agreed to in the Settlement.

Federal and State Income Taxes

The federal income tax rate utilized is 21 percent. The state income tax rate utilized is 3.8 percent. The taxable portion of the return is based on Northwest's estimate of the project's equity capital.

¹ *Northwest Pipeline GP*, 143 FERC ¶ 62,106 (2013) ("May Order"); *reh'g denied*, 145 FERC ¶ 61,013 (2013).

² See Article VII of the RP22-1155 Settlement.

³ *Northwest Pipeline Corp.*, 139 FERC ¶ 61,071 (2012).

⁴ *Northwest Pipeline LLC*, 181 FERC ¶ 61,118 (2022).

Taxes Other Than Income Taxes

Ad Valorem taxes are based on the rate used to determine the taxes paid for King County, Washington multiplied by the total average net plant of the South Seattle Lateral Facilities and the general and intangible plant assigned to the facilities.

Payroll taxes and other taxes are allocated based on the method agreed to in the Settlement.

Return on Rate Base

Return on Rate Base is calculated by multiplying Rate Base by the Rate of Return.

Rate of Return – The weighted overall cost of capital (exclusive of taxes) is fixed at 10 percent per the South Seattle Lateral Facilities agreement.

Rate Base – Rate base includes both direct and indirect rate base. Direct rate base equals gross direct plant less accumulated depreciation and accumulated deferred income taxes related to the South Seattle Lateral Facilities. Indirect rate base equals applicable gross general and intangible plant less related accumulated depreciation and accumulated deferred income taxes plus working capital. Working capital includes materials and supplies and prepaid expenses.

Rate base is calculated on an annual basis using a 13-month average.

Billing Determinants

The South Seattle Lateral Facilities capacity is 63,900 Dth per day. This capacity is used in calculating a capacity release rate as directed in the Commission's Order.

Northwest Pipeline LLC
North Seattle Lateral & Meter Upgrade Delivery Facilities

2025 Cost of Service Forecast

Cost of Service Summary

Particulars	1/1/2025 through 12/31/2025
Operations and Maintenance Expense	\$ 209,308
Depreciation Expense	\$ 2,666,965
Ad Valorem and Other Taxes	\$ 409,531
Federal Income Taxes	\$ 964,391
State Income Taxes	\$ 181,402
Return	<u>\$ 4,540,611</u>
Total Cost of Service	<u><u>\$ 8,972,208</u></u>
Capacity Release Rate Development:	
Cost of Service	\$ 8,972,208
Annual Billing Determinants (Dth)	63,071,635
Capacity Release Rate (Dth/d)	\$ 0.14225

Northwest Pipeline LLC
North Seattle Lateral & Meter Upgrade Delivery Facilities

Operations and Maintenance Expense

Particulars	1/1/2025 through 12/31/2025
Operations and Maintenance Expenses	\$ 97,643
Administrative and General Expenses	\$ 111,665
Total Operations and Maintenance Expense	\$ <u>209,308</u>

Depreciation Expense

Particulars	1/1/2025 through 12/31/2025
Depreciation Expense	\$ 2,666,965

Taxes Other Than Income Taxes

Total Advalorem Taxes	\$ 401,412
Total Payroll Tax	\$ 6,595
Total Other Taxes	\$ 1,524
Total Taxes Other Than Income Taxes	\$ <u>409,531</u>

Northwest Pipeline LLC
North Seattle Lateral & Meter Upgrade Delivery Facilities

Federal and State Income Taxes

Particulars	1/1/2025 through 12/31/2025
Taxable Portion of Return	\$ 3,627,949
State Taxable Income (Grosses-up for Taxes /(1-.24))	\$ 4,773,742
State Income Tax Rate	3.80%
State Income Tax at 3.80%	\$ 181,402
Federal Taxable Income	\$ 4,592,340
Federal Income Tax Rate	21.00%
Federal Income Tax	\$ 964,391

Northwest Pipeline LLC
North Seattle Lateral & Meter Upgrade Delivery Facilities

Rate Base and Return

Particulars	Total
Average Rate Base:	
Gas Plant in Service	\$ 63,496,322
Accumulated Depreciation	<u>\$ (15,223,983)</u>
Net Plant	\$ 48,272,339
Accumulated Deferred Income Taxes	\$ (2,876,718)
Materials and Supplies	\$ 8,236
Prepaid Insurance	<u>\$ 2,257</u>
Total Average Rate Base	\$ 45,406,115
Rate of Return	<u>10.00%</u>
Return	<u><u>\$ 4,540,611</u></u>

NORTHWEST PIPELINE LLC
North Seattle Lateral Upgrade Project Facilities
2025 Cost of Service Forecast
Supporting Work Paper Assumptions

General Overview

Per the Commission's Order Issuing Certificate and Approving Abandonment in Docket No. CP17-441,¹ Northwest is required to file a tariff record setting forth the facilities charge to be updated when the facility charge is revised annually pursuant to the facilities agreement. Additionally, Northwest is required to use the facility charge as the rate for capacity releases inside the corridor established by the primary receipt and delivery points.

Per the facilities agreement, an **estimated** North Seattle Lateral Upgrade Facilities cost of service is projected annually and includes all costs associated with the North Seattle Lateral Upgrade Facilities including operating and maintenance expenses, administrative and general expenses, depreciation, net negative salvage, income taxes, other taxes and return.

Operation and Maintenance (O&M) Expense

Directly assigned North Seattle Lateral Upgrade Facilities Operation and Maintenance ("O&M") costs are accumulated in a separate work order.

Indirectly assigned O&M is allocated using the method agreed to in Northwest's Stipulation and Settlement Agreement ("Settlement") filed in Docket No. RP12-490.²

Administrative and General Expenses ("A&G") are allocated in accordance with the Kansas Nebraska methodology.

Depreciation Expense

Direct depreciation expense for the gross direct North Seattle Lateral Upgrade Facilities is 4 percent based on a straight-line methodology over 25 years.

Net negative salvage is 0.20 percent for transmission facilities, as outlined in the RP22-1155 Settlement.³

Indirect depreciation expense includes general and intangible plant depreciation and amortization that is allocated using the method agreed to in the Settlement.

Federal and State Income Taxes

The federal income tax rate utilized is 21 percent. The state income tax rate utilized is 3.8 percent. The taxable portion of the return is based on Northwest's estimate of the project's equity capital.

¹ *Northwest Pipeline LLC*, 164 FERC ¶ 61,038 (2018).

² *Northwest Pipeline Corp.*, 139 FERC ¶ 61,071 (2012).

³ *Northwest Pipeline LLC*, 181 FERC ¶ 61,118 (2022).

Taxes Other Than Income Taxes

Ad Valorem taxes are based on the rate used to determine the taxes paid for King County, Washington multiplied by the total average net plant of the North Seattle Lateral Upgrade Facilities and the general and intangible plant assigned to the facilities.

Payroll taxes and other taxes are allocated based on the method agreed to in the Settlement.

Return on Rate Base

Return on Rate Base is calculated by multiplying Rate Base by the Rate of Return.

Rate of Return – The weighted overall cost of capital (exclusive of taxes) is fixed at 10 percent per the North Seattle Lateral Upgrade Facilities agreement.

Rate Base – Rate base includes both direct and indirect rate base. Direct rate base equals gross direct plant less accumulated depreciation and accumulated deferred income taxes related to the North Seattle Lateral Upgrade Facilities. Indirect rate base equals applicable gross general and intangible plant less related accumulated depreciation and accumulated deferred income taxes plus working capital. Working capital includes materials and supplies and prepaid expenses.

Rate base is calculated on an annual basis using a 13-month average.

Billing Determinants

The North Seattle Lateral Upgrade Facilities capacity is 172,799 Dth per day. This capacity is used in calculating a capacity release rate as directed in the Commission's Order.