

166 FERC ¶ 61,198  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Neil Chatterjee, Chairman;  
Cheryl A. LaFleur and Richard Glick.

Cheniere Creole Trail Pipeline, L.P.	Docket Nos. RP19-417-000
Cheyenne Plains Gas Pipeline Company, L.L.C.	RP19-430-000
Cimarron River Pipeline, LLC	RP19-415-000
Colorado Interstate Gas Company, L.L.C.	RP19-413-000
Crossroads Pipeline Company	RP19-410-000
Dauphin Island Gathering Partners	RP19-435-000
DBM Pipeline, LLC	RP19-397-000
Destin Pipeline Company, L.L.C.	RP19-434-000
Florida Gas Transmission Company, LLC	RP19-402-000
Florida Southeast Connection, LLC	RP19-440-000
Golden Pass Pipeline LLC	RP19-387-000
Gulf Crossing Pipeline Company LLC	RP19-432-000
Kinder Morgan Illinois Pipeline LLC	RP19-393-000
Kinder Morgan Louisiana Pipeline LLC	RP19-390-000
KO Transmission Company	RP19-433-000
MarkWest Pioneer, L.L.C.	RP19-396-000
Midcontinent Express Pipeline LLC	RP19-392-000
Mojave Pipeline Company, L.L.C.	RP19-404-000
National Grid LNG, LLC	RP19-421-000
NGO Transmission, Inc.	RP19-418-000
Pine Needle LNG Company, LLC	RP19-424-000
Rockies Express Pipeline LLC	RP19-412-000
Rover Pipeline LLC	RP19-422-000
Ruby Pipeline, L.L.C.	RP19-428-000
Sabal Trail Transmission, LLC	RP19-444-000
Sabine Pipe Line LLC	RP19-448-000
Sea Robin Pipeline Company, LLC	RP19-394-000
Sierrita Gas Pipeline LLC	RP19-425-000
Stingray Pipeline Company, L.L.C.	RP19-378-000
TransColorado Gas Transmission Company LLC	RP19-426-000
Trans-Union Interstate Pipeline, L.P.	RP19-438-000
	RP19-450-000

Transwestern Pipeline Company, LLC	RP19-407-000
UGI Mt. Bethel Pipeline, LLC	RP19-461-000
	RP19-461-001
UGI Sunbury, LLC	RP19-462-000
	RP19-462-001
USG Pipeline Company, LLC	RP19-383-000
Venice Gathering System, L.L.C.	RP19-436-000
West Texas Gas, Inc.	RP19-442-000
	RP19-442-001
WTG Hugoton, LP	RP19-441-000
	RP19-441-001

## ORDER TERMINATING FERC FORM NO. 501-G PROCEEDINGS

(Issued March 20, 2019)

1. The interstate natural gas pipeline companies listed above filed the one-time report FERC Form No. 501-G as required by section 260.402 of the Commission's regulations.<sup>1</sup> The Commission required certain natural gas pipeline companies to file FERC Form No. 501-G to assist in determining which jurisdictional natural gas pipelines may be collecting unjust and unreasonable rates in light of the income tax reductions provided by the Tax Cuts and Jobs Act<sup>2</sup> and the Commission's Revised Policy Statement<sup>3</sup> and precedent<sup>4</sup> concerning tax allowances to address the double recovery issue identified by *United Airlines, Inc. v. FERC*.<sup>5</sup> For the reasons discussed below, we find that the interstate natural gas pipeline companies listed above have complied with the reporting

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<sup>1</sup> 18 C.F.R. § 260.402 (2018).

<sup>2</sup> An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, Pub. L. No. 115-97, 131 Stat. 2054 (2017) (Tax Cuts and Jobs Act).

<sup>3</sup> *Inquiry Regarding the Commission's Policy for Recovery of Income Tax Costs*, Revised Policy Statement, 83 Fed. Reg. 12,362 (Mar. 21, 2018), 162 FERC ¶ 61,227, *order on reh'g*, 164 FERC ¶ 61,030 (2018).

<sup>4</sup> *SFPP, L.P.*, Opinion No. 511-C, 162 FERC ¶ 61,228, at P 9 (2018).

<sup>5</sup> 827 F.3d 122 (D.C. Cir. 2016).

requirement, and thus we close their FERC Form No. 501-G proceedings without taking any further action.

2. Public notice of the listed companies' FERC Form No. 501-G filings was issued as shown in the Appendix. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.<sup>6</sup> Pursuant to Rule 214,<sup>7</sup> all timely motions to intervene and any unopposed motions to intervene filed out-of-time before the issuance date of this order are granted. Granting late intervention at this stage of the proceedings will not disrupt these proceedings or place additional burdens on existing parties.

### **Discussion**

3. Order No. 849 required interstate natural gas pipeline companies to file a FERC Form No. 501-G containing an abbreviated cost and revenue study primarily using data in the pipelines' 2017 FERC Form Nos. 2 and 2-A. Order No. 849 also permitted a pipeline to make adjustments to individual work sheets in an Addendum to the FERC Form No. 501-G if the pipeline believed that the data in its FERC Form Nos. 2 or 2-A did not reflect its current situation.<sup>8</sup> In addition to the FERC Form No. 501-G filing requirement, the Commission provided four options for each interstate natural gas pipeline to make a filing to address the changes to the pipeline's recovery of tax costs or explain why no action is needed: (1) a limited Natural Gas Act (NGA) section 4 rate reduction filing (Option 1), (2) a commitment to file a general NGA section 4 rate case or a prepackaged settlement in the near future (Option 2), (3) an explanation why no rate change is needed (Option 3), and (4) no action other than filing the form (Option 4).

4. Order No. 849 stated that the primary purpose of the FERC Form No. 501-G, together with any comments and protests to it, is to provide information relevant to determining whether the Commission should exercise its discretion to initiate an investigation under NGA section 5 as to whether the subject interstate natural gas pipeline may be collecting unjust and unreasonable rates in light of the recent reduction in the corporate income tax rate and change in the Commission's income tax allowance

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<sup>6</sup> 18 C.F.R. § 154.210 (2018).

<sup>7</sup> 18 C.F.R. § 385.214 (2018).

<sup>8</sup> *Interstate and Intrastate Natural Gas Pipelines; Rate Changes Relating to Federal Income Tax Rate*, Order No. 849, 83 Fed. Reg. 36,672 (July 30, 2018), 164 FERC ¶ 61,031, at P 58 (2018).

policies.<sup>9</sup> As the Commission recognized, a rate reduction may not be justified for a significant number of pipelines for a number of reasons. For example, a number of pipelines may currently have rates that do not fully recover their overall cost of service. Therefore, a reduction in those pipelines' tax costs may not cause their rates to be excessive. The Commission stated that FERC Form No. 501-G would provide information as to whether an interstate pipeline may fall into this category. The Commission stated that a pipeline choosing Option 3 could provide a full explanation of why, after accounting for its reduction in tax costs, its rates do not over recover its overall cost of service and therefore no rate reduction is justified. The pipeline would provide this statement along with any additional supporting information it deems necessary.<sup>10</sup>

5. The interstate natural gas pipeline companies listed above have either filed a general NGA section 4 rate case (Option 2), provided explanations as to why no rate change is necessary (Option 3), or done nothing beyond filing the FERC Form No. 501-G (Option 4), as described in the Appendix, and no party filed adverse comments with respect to their FERC Form No. 501-G filings. We find that those pipelines have complied with the filing requirements of Order No. 849, and terminate their FERC Form No. 501-G proceedings without taking any further action.

The Commission orders:

The captioned FERC Form No. 501-G proceedings are terminated.

By the Commission. Commissioner McNamee is not participating.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

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<sup>9</sup> *Id.* P 69.

<sup>10</sup> *Id.* P 216.

## Appendix

### Notice Dates and Pipelines' Chosen Response Option

<b>Company</b>	<b>Docket No.</b>	<b>Notice Date</b>	<b>Option</b>
Cheniere Creole Trail Pipeline, L.P.	RP19-417-000	Dec. 7, 2018	3
Cheyenne Plains Gas Pipeline Company, L.L.C.	RP19-430-000	Dec. 7, 2018	3
Cimarron River Pipeline, LLC	RP19-415-000	Dec. 7, 2018	3
Colorado Interstate Gas Company, L.L.C.	RP19-413-000	Dec. 7, 2018	3
Crossroads Pipeline Company	RP19-410-000	Dec. 7, 2018	3
Dauphin Island Gathering Partners	RP19-435-000	Dec. 7, 2018	3
DBM Pipeline, LLC	RP19-397-000	Dec. 7, 2018	3
Destin Pipeline Company, L.L.C.	RP19-434-000	Dec. 7, 2018	4
Florida Gas Transmission Company, LLC	RP19-402-000	Dec. 7, 2018	3
Florida Southeast Connection, LLC	RP19-444-000	Dec. 7, 2018	3
Golden Pass Pipeline LLC	RP19-387-000	Dec. 6, 2018	3
Gulf Crossing Pipeline Company LLC	RP19-432-000	Dec. 7, 2018	3
Kinder Morgan Illinois Pipeline LLC	RP19-393-000	Dec. 7, 2018	3
Kinder Morgan Louisiana Pipeline LLC	RP19-390-000	Dec. 7, 2018	3
KO Transmission Company	RP19-433-000	Dec. 7, 2018	3
MarkWest Pioneer, L.L.C.	RP19-396-000	Dec. 7, 2018	3
Midcontinent Express Pipeline LLC	RP19-392-000	Dec. 7, 2018	3
Mojave Pipeline Company, L.L.C.	RP19-404-000	Dec. 7, 2018	3
National Grid LNG, LLC	RP19-421-000	Dec. 7, 2018	3
NGO Transmission, Inc.	RP19-418-000	Dec. 7, 2018	3
Pine Needle LNG Company, LLC	RP19-424-000	Dec. 7, 2018	3
Rockies Express Pipeline LLC	RP19-412-000	Dec. 7, 2018	3
Rover Pipeline LLC	RP19-422-000	Dec. 7, 2018	3
Ruby Pipeline, L.L.C.	RP19-428-000	Dec. 7, 2018	3
Sabal Trail Transmission, LLC	RP19-444-000	Dec. 7, 2018	3
Sabine Pipe Line LLC	RP19-448-000	Dec. 10, 2018	3
Sea Robin Pipeline Company	RP19-394-000	Dec. 7, 2018	2
Sierrita Gas Pipeline LLC	RP19-425-000	Dec. 7, 2018	3
Stingray Pipeline Company, L.L.C.	RP19-378-000	Dec. 4, 2018	3
TransColorado Gas Transmission Company LLC	RP19-426-000	Dec. 7, 2018	3
Trans-Union Interstate Pipeline, L.P.	RP19-438-000	Dec. 7, 2018	3

	RP19-450-000	Dec. 10, 2018	
Transwestern Pipeline Company, LLC	RP19-407-000	Dec. 7, 2018	3
UGI Mt. Bethel Pipeline, LLC	RP19-461-000 RP19-461-001	Dec. 17, 2018 Dec. 21, 2018	3
UGI Sunbury, LLC	RP19-462-000 RP19-462-001	Dec. 17, 2018 Dec. 21, 2018	3
USG Pipeline Company, LLC	RP19-383-000	Dec. 6, 2018	4
Venice Gathering System, L.L.C.	RP19-436-000	Dec. 7, 2018	3
West Texas Gas, Inc.	RP19-442-000 RP19-442-001	Dec. 7, 2018 Dec. 19, 2018	3
WTG Hugoton, LP	RP19-441-000 RP19-441-001	Dec. 7, 2018 Dec. 19, 2018	3