

May 31, 2018

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

RE: FLORIDA GAS TRANSMISSION COMPANY, LLC
DOCKET NO. RP18-_____

Dear Ms. Bose:

Florida Gas Transmission Company, LLC (FGT) submits herewith for filing with the Federal Energy Regulatory Commission (Commission) the following revised tariff record to its FERC NGA Gas Tariff, Fifth Revised Volume No. 1 (Tariff), proposed to become effective July 1, 2018:

<u>Version</u>	<u>Description</u>	<u>Title</u>
5.0.0	GT&C Section 27.	Fuel Reimbursement Charge Adjustment

STATEMENT OF NATURE, REASONS AND BASIS

The purpose of this filing is to revise FGT's fuel reimbursement provision to separate the electric fuel cost from the gas fuel reimbursement percentage. In accordance with Article IV, Section 2 of the Stipulation and Agreement (Settlement) filed with the Commission on September 11, 2015 in Docket No. RP15-101-000, and approved by Commission Letter Order dated December 4, 2015, FGT is required to revise its GT&C Section 27, Fuel Reimbursement Charge Adjustment, to provide for a separate electric power cost tracker to be effective July 1, 2018.

In compliance with the Settlement, FGT sent to all parties to the proceeding in Docket No. RP15-101-000, on March 29, 2018, via electronic mail, the proposed tariff revisions and a detailed example of the methodology and calculations that would be used to derive a separate electric power cost tracker. FGT used the currently effective fuel tracker filing, which became effective on April 1, 2018, as the basis for the detailed example. The example included all the details to support the summary page showing the fuel reimbursement charge percentage (FRCP) and unit fuel charge that would have been effective April 2018 through September 2018 under the proposed revisions. The FRCP components include gas fuel usage in the Market Area, gas fuel usage in the Western Division and the lost and unaccounted for gas. The components of the Unit Fuel Charge are the deferred gas fuel surcharge, electric power cost and deferred electric power cost surcharge calculated separately for the Market Area and the Western Division as well as the lost and unaccounted for gas deferred surcharge.

One party responded with minor comments that are incorporated in the proposed tariff provision herein along with one clarification in Section 27.A.1 that the base FRCP and the base unit fuel charge are established with the filing of each semi-annual fuel filing. FGT received no other comments on the proposed tariff provision or methodology. Accordingly, FGT is filing herein to revise the fuel reimbursement provisions to become effective on July 1, 2018. In accordance with the Tariff, the revised tariff provisions and methodology will be applied to calculate the proposed FRCP and unit fuel charge to be effective on October 1, 2018.

IMPLEMENTATION

Pursuant to Section 154.7(a)(9) of the Commission's Regulations, FGT requests that the proposed tariff records be accepted effective July 1, 2018, without further action from FGT.

CONTENTS OF THE FILING

This filing is made in electronic format in compliance with Section 154.4 of the Commission's Regulations. In addition to the proposed tariff records in RTF format with metadata attached, the XML filing package contains:

- . A transmittal letter in PDF format
- . A clean copy of the proposed tariff records in PDF format for publishing in eLibrary
- . A marked version of the proposed tariff changes in PDF format
- . A copy of the complete filing in PDF format for publishing in eLibrary

COMMUNICATIONS, PLEADINGS AND ORDERS

FGT requests that all Commission orders and correspondence as well as pleadings and correspondence from other parties concerning this filing be served on each of the following:

Michael T. Langston¹
Vice President
Chief Regulatory Officer
Florida Gas Transmission Company, LLC
1300 Main Street
Houston, TX 77002
(713) 989-7610
(713) 989-1205 (Fax)
michael.langston@energytransfer.com

Kevin P. Erwin¹
Associate General Counsel
Florida Gas Transmission Company, LLC
1300 Main Street
Houston, TX 77002
(713) 989-2745
(713) 989-1212 (Fax)
kevin.erwin@energytransfer.com

Lawrence J. Biediger^{1 2}
Sr. Director, Rates and
Regulatory Affairs
Florida Gas Transmission Company, LLC
1300 Main Street
Houston, TX 77002
(713) 989-7670
(713) 989-1205 (Fax)
larry.biediger@energytransfer.com

Thomas E. Knight¹
Locke Lord LLP
701 8TH Street, N.W.
Suite 700
Washington, DC 20001
(202) 220-6922
(202) 220-6945 (Fax)
tknight@lockelord.com

In accordance with Section 154.2(d) of the Commission's Regulations, a copy of this filing is available for public inspection during regular business hours at FGT's office at 1300 Main Street, Houston, Texas 77002. In addition, copies of this filing are being served on jurisdictional customers and interested state regulatory agencies and all parties on the service list for Docket No. RP15-101-000. FGT

¹ Designated to receive service pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure. FGT respectfully requests that the Commission waive Rule 203(b)(3), 18 C.F.R. § 385.203(b)(3), in order to allow FGT to include additional representatives on the official service list.

² Designated as responsible Company official under Section 154.7(a)(2) of the Commission's Regulations.

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has posted a copy of this filing on its Internet web site accessible via <http://fgttransfer.energytransfer.com> under Informational Postings, Regulatory.

Pursuant to Section 385.2005(a) of the Commission's Regulations, the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best of his knowledge and belief, and possesses full power and authority to sign such filing.

Respectfully submitted,

FLORIDA GAS TRANSMISSION COMPANY, LLC

/s/ Lawrence J. Biediger

Lawrence J. Biediger
Sr. Director, Rates and Regulatory Affairs

GENERAL TERMS AND CONDITIONS

27. FUEL REIMBURSEMENT CHARGE ADJUSTMENT

The Fuel Reimbursement Charge Adjustment shall include: (1) the Gas Fuel Reimbursement Charge Percentage ("FRCP"), including system Gas Loss and Unaccounted For ("LAUF"), and (2) the Unit Fuel Charge consisting of the Deferred Gas Fuel Surcharge, including deferred system LAUF, and the Electric Power Cost and the Deferred Electric Power Cost Surcharge. The FRCP and the Unit Fuel Charge shall be maintained and applied separately for the Market Area and the Western Division.

The FRCP and the Unit Fuel Charge shall be adjusted in accordance with this Section 27 and shall be set forth on the Currently Effective Rates for Rate Schedules FTS-1, FTS-2, FTS-3, SFTS, FTS-WD, ITS-1 and ITS-WD of this Tariff.

A. Filing of Fuel Reimbursement Charge Adjustment

1. Effective Date

The effective date of each Fuel Reimbursement Charge Adjustment for the Market Area and the Western Division shall be April 1 and October 1 which shall establish the Base FRCP and the Base Unit Fuel Charge for each adjustment period.

2. Fuel Reimbursement Charge Adjustment Periods

The Fuel Reimbursement Charge Adjustment Periods shall be the six (6)-month periods beginning each April 1 ("Summer Period") and October 1 ("Winter Period").

3. Filing Procedures

At least thirty (30) days prior to the Effective Date, Transporter shall file workpapers with the Commission setting forth the separate Fuel Reimbursement Charge Adjustment for the Market Area and the Western Division as determined in accordance with this Section 27.

4. Calculation Quantities

For all calculations involving the quantity of gas delivered by Transporter in Sections B.2, C, D and E herein, the Market Area delivered quantity shall exclude quantities where gas is received and delivered within the Market Area and the Western Division delivered quantity shall exclude quantities where gas is received and delivered within the Western Division through no more than one (1) compressor station. The system LAUF quantity shall exclude Western Division forwardhaul deliveries utilizing no compression.

B. Computation of the Gas FRCP

1. The FRCP shall be the sum of the Base FRCP and any flex adjustments, as provided for in Section F, expressed as a percentage rounded to two (2) decimal places and shall be used to calculate the quantity of gas, expressed in MMBtu, to be delivered by or for the account of Shipper and accepted by Transporter at Receipt Point(s) to reimburse Transporter for actual fuel usage, actual quantities of gas delivered to party(ies) as payment for compression services provided to Transporter and LAUF.

2. Computation of the Base FRCP

The Base FRCP for the Market Area and the Western Division shall be determined separately on a semi-annual basis and shall be the sum of the Base FRCP and applicable LAUF.

a. The Base FRCP shall be determined separately for the Market Area and the Western Division and shall be calculated by dividing the actual fuel usage, plus actual quantities delivered to party(ies) as payment for compression services provided to Transporter by the actual quantity of gas delivered by Transporter for the account of Shippers. For the purpose of this computation, actual fuel usage, actual quantities delivered to party(ies) as payment for compression services provided to Transporter, LAUF and actual quantity of gas delivered by Transporter shall be those quantities related to the six-month period commencing one year prior to the effective date of the FRCP. In computing the Base FRCP, Transporter may file for adjustments to actual fuel usage, actual quantities delivered to party(ies) as payment for compression services provided to Transporter, LAUF or actual quantity of gas delivered to provide for known and measurable changes and to the extent Transporter proposes such adjustments, Transporter shall include supporting workpapers.

b. Transporter shall determine a system LAUF percentage that shall be included in the Base FRCP, as applicable.

C. Computation of the Deferred Gas Fuel Surcharge

For the Market Area, the Western Division and the system LAUF, Transporter shall establish and maintain separate Deferred Gas Fuel Accounts for the Summer and Winter Periods. For each billing month, the applicable seasonal Deferred Gas Fuel Account shall be increased or decreased by the volumetric difference between retained fuel and actual fuel (including actual quantities of gas delivered to party(ies) as payment for compression services provided to Transporter and LAUF) valued at the simple arithmetic average of the Sales Posted Price and the Purchase Posted Price as defined in the monthly balancing provisions of Section 14.

The quantity recorded in the Market Area or Western Division Deferred Gas Fuel Accounts shall be the difference between (1) the product obtained by multiplying the applicable effective FRCP for the Market Area or the Western Division by the total throughput for the Market Area or Western Division excluding those quantities identified in Section 27.A.4 above and (2) the actual quantities of gas expended for fuel usage, actual quantities of gas delivered to party(ies) as payment for compression services provided to Transporter, less fuel retained on the excluded quantities identified in Section 27.A.4 above.

The quantity recorded in the system LAUF Deferred Account shall be the difference between (1) the product obtained by multiplying the applicable effective Fuel Reimbursement Charge Percentage for LAUF by the total system throughput, excluding those quantities identified in Section 27.A.4 above, and (2) LAUF and any change in line pack attributable to operation of the cash-out mechanism during the billing month.

In no event shall the balance of a summer Deferred Gas Fuel Account be recovered in the Winter period; nor shall the balance in a Winter Deferred Gas Fuel Account be recovered in the Summer Period.

Interest on the Market Area and the Western Division Deferred Gas Fuel Accounts shall accrue in accordance with Section 154.501(d) of the Commission's Regulations.

The Deferred Gas Fuel Surcharge shall be computed by dividing the balance of the Summer or Winter Deferred Gas Fuel Account, as appropriate, plus interest and unamortized balance from the prior corresponding recovery period by the estimated quantity of gas to be delivered during the recovery period.

D. Computation of Electric Power Cost

The Electric Power Cost shall include the cash payments made by Transporter to electric providers incurred in the operation of electric compression, excluding cash payments to electric providers for monthly demand charges and surcharges and taxes based on such demand charges at Compressor Station No. 13A. The Electric Power Cost shall be determined separately for the Market Area and the Western Division and shall be calculated by dividing the projected payments to electric providers by the estimated quantity of gas to be delivered in the Market Area or the Western Division, as applicable, during the recovery period. For the purpose of this computation, payments to electric providers shall be those payments related to the six-month period commencing with the effective date of each Electric Power Cost. Transporter shall include supporting workpapers.

E. Computation of the Deferred Electric Power Cost Surcharge

1. For each billing month, the applicable seasonal Market Area or Western Division Deferred Electric Power Cost Account shall be increased or decreased by the difference between the amount received from the Market Area or Western Division Electric Power Cost, and actual cash payments to electric providers, including billing adjustments, surcharges and taxes, incurred in the operation of electric compression; provided, however, cash payments to electric providers for monthly demand charges and surcharges and taxes based on such demand charges at Compressor Station No. 13A shall be excluded as applicable.

In no event shall the balance of a summer Deferred Electric Power Cost Account be recovered in the Winter period; nor shall the balance in a Winter Deferred Electric Power Cost Account be recovered in the Summer Period.

Interest on the Market Area and the Western Division Deferred Electric Power Cost Accounts shall accrue in accordance with Section 154.501(d) of the Commission's Regulations.

2. The Deferred Electric Power Cost Surcharge shall be computed by dividing the balance of the Summer or Winter Deferred Electric Power Cost Account, as appropriate, plus interest and any unamortized balance from the prior corresponding recovery period by the estimated quantity of gas to be delivered during the recovery period.

F. Flex Adjustments

Transporter may at any time file to make a flex adjustment to the Market Area or the Western Division FRCP. Such adjustment shall not adjust the FRCP more than a total of five-tenths percent (0.5%) from the Base FRCP and shall only be effective at the beginning of a month. Notification of a flex adjustment shall be posted on Transporter's Internet website at least five (5) working days prior to the nomination deadline for the first day of the month under Section 10. Tariff records reflecting such adjustment shall become effective on the date proposed, provided that Transporter files such tariff records no more than sixty (60) days and at least seven (7) days before the proposed effective date and shall become effective without prior FERC approval.

G. Interim Adjustments

Transporter may at any time file to make an interim adjustment to the Base Unit Fuel Charge for the Market Area or the Western Division provided that such adjustment may not result in the Unit Fuel Charge differing from the Base Unit Fuel Charge by more than \$0.0050 per MMBtu. Such adjustment shall only be effective at the beginning of the month and tariff sections shall become effective on the date proposed, provided that the Transporter files such tariff records no more than sixty (60) days and no later than seven (7)

days prior to the proposed effective date. Such tariff records shall be effective without prior FERC approval and notice shall be provided to Shippers at least five (5) working days prior to the nomination deadline for the first day of the month under Section 10.

H. Western Division Fuel Charges

For gas delivered in Transporter's Western Division, Transporter shall retain as fuel reimbursement the sum of fuel charges by Transporting Pipelines, if applicable, plus the Fuel Reimbursement Charge Adjustment listed on the Currently Effective Rates for Rate Schedules FTS-WD and ITS-WD.

I. Fuel Charges Applicable to Quantities Received and Delivered in Market Area

For gas received and delivered within Transporter's Market Area, Transporter shall retain as fuel reimbursement the FRCP listed on the Currently Effective Rates for Rate Schedules FTS-1, FTS-2, FTS-3, SFTS and ITS-1 applied to transportation of natural gas through compressor stations needed to move natural gas on a forwardhaul basis from Market Area Points of Receipt to Market Area Points of Delivery; provided however, the minimum fuel charge, including LAUF, shall be 0.25% and the maximum fuel charge shall be the effective Fuel Reimbursement Charge Adjustment. For Backhauls from Market Area Points of Receipt to Market Area Points of Delivery, the fuel charge, including LAUF, shall be 0.25%.

MARKED VERSION

GENERAL TERMS AND CONDITIONS

27. FUEL REIMBURSEMENT CHARGE ADJUSTMENT

The Fuel Reimbursement Charge Adjustment shall include: (1) ~~the Gas~~ Fuel Reimbursement Charge Percentage ("FRCP"), including system Gas Loss and Unaccounted For ("LAUF"), and (2) the Unit Fuel ~~Surcharge~~ Charge consisting of the Deferred Gas Fuel Surcharge, including deferred system LAUF, and the Electric Power Cost and the Deferred Electric Power Cost Surcharge. The FRCP and the Unit Fuel Charge shall be maintained and applied separately for the Market Area and the Western Division.

~~The FRCP shall be the sum of the Base FRCP and any flex adjustments as provided for in subsection A.2(b) of this Section expressed as a percentage rounded to two (2) decimal places and shall be used to calculate the quantity of gas, expressed in MMBtu, to be delivered by or for the account of Shipper and accepted by Transporter at Receipt Point(s) to reimburse Transporter for actual fuel usage, actual quantities delivered to party(ies) as payment for compression services provided to Transporter, actual cash payments to electric providers incurred in the operation of electric compression, excluding cash payments to electric providers for monthly demand charges and surcharges and taxes based on such demand charges at Compressor Station No. 13A, and gas lost from the system or otherwise unaccounted for.~~

~~The Unit Fuel Surcharge shall be the sum of the Base Unit Fuel Surcharge and any interim flex adjustments, as provided for in subsection C.2 of this Section, and shall be expressed in dollars per MMBtu.~~

The FRCP and the Unit Fuel ~~Surcharge~~ Charge shall be adjusted in accordance with this Section 27 and shall be set forth on the Currently Effective Rates for Rate Schedules FTS-1, FTS-2, FTS-3, SFTS, FTS-WD, ITS-1 and ITS-WD of this Tariff.

A. Filing of Fuel Reimbursement Charge Percentage Adjustment

1. Effective Date

The effective date of each ~~Base FRCP~~ Fuel Reimbursement Charge Adjustment for the Market Area and the Western Division shall be April 1 and October 1- which shall establish the Base FRCP and the Base Unit Fuel Charge for each adjustment period.

2. Fuel Reimbursement Charge Adjustment Periods

The Fuel Reimbursement Charge Adjustment Periods shall be the six (6)-month periods beginning each April 1 ("Summer Period") and October 1 ("Winter Period").

3. FRCP Filing Procedures

a. Base FRCP

At least thirty (30) days prior to the Effective Date, Transporter shall file workpapers with the Commission setting forth the separate Base FRCP Fuel Reimbursement Charge Adjustment for the Market Area and the Western Division as determined in accordance with this Section 27-B.

~~b. Flex Adjustments—Transporter may at any time file to make a flex adjustment to the Market Area or the Western Division Base FRCP. Such adjustment shall not adjust the FRCP more than a total of five-tenths percent (0.5%) from the Base FRCP and shall only be effective at the beginning of a month. Notification of a flex adjustment shall be posted on Transporter's Internet website at least five (5) working days prior to the nomination deadline for the first day of the month under Section 10. Tariff sections reflecting such adjustment shall become effective on the date proposed, provided that Transporter files such tariff sections no more than sixty (60) days and at least seven (7) days before the proposed effective date and shall become effective without prior FERC approval.~~

~~3. Fuel Reimbursement Charge Percentage Periods~~

~~The Fuel Reimbursement Charge Percentage Periods shall be the six (6)-month periods beginning each April 1 ("Summer Period") and October 1 ("Winter Period").~~

4. Calculation Quantities

For all calculations involving the quantity of gas delivered by Transporter in Sections ~~B.1, B.2, C, D.1 and D.2E~~ herein, the Market Area delivered quantity shall exclude quantities where gas is received and delivered within the Market Area and the Western Division delivered quantity shall exclude quantities where gas is received and delivered within the Western Division through no more than one (1) compressor station. The system LAUF quantity shall exclude Western Division forwardhaul deliveries utilizing no compression.

B. Computation of the Base Fuel Reimbursement Charge Percentage Gas FRCP

1. The FRCP shall be the sum of the Base FRCP and any flex adjustments, as provided for in Section F, expressed as a percentage rounded to two (2) decimal places and shall be used to calculate the quantity of gas, expressed in MMBtu, to be delivered by or for the

account of Shipper and accepted by Transporter at Receipt Point(s) to reimburse Transporter for actual fuel usage, actual quantities of gas delivered to party(ies) as payment for compression services provided to Transporter and LAUF.

2. Computation of the Base FRCP

The Base FRCP for the Market Area and the Western Division shall be determined separately on a semi-annual basis and shall be the sum of the Gas-Base FRCP, the Electric-Base FRCP and applicable lost and unaccounted for gas LAUF.

a. The Gas-Base FRCP shall be determined separately for the Market Area and the Western Division and shall be calculated by dividing the actual fuel usage, plus actual quantities delivered to party(ies) as payment for compression services provided to Transporter by the actual quantity of gas delivered by Transporter for the account of Shippers. For the purpose of this computation, actual fuel usage, actual quantities delivered to party(ies) as payment for compression services provided to Transporter, lost and unaccounted for gas LAUF and actual quantity of gas delivered by Transporter shall be those quantities related to the six-month period commencing one year prior to the effective date of the FRCP. In computing the Gas-Base FRCP, Transporter may file for adjustments to actual fuel usage, actual quantities delivered to party(ies) as payment for compression services provided to Transporter, lost and unaccounted for gas LAUF or actual quantity of gas delivered to provide for known and measurable changes and to the extent Transporter proposes such adjustments, Transporter shall include supporting workpapers.

b.

~~2. The Electric Base FRCP shall include the gas equivalent of cash payments made by Transporter to electric providers incurred in the operation of electric compression, excluding cash payments to electric providers for monthly demand charges and surcharges and taxes based on such demand charges at Compressor Station No. 13A. The Electric Base FRCP shall be determined separately for the Market Area and the Western Division and shall be calculated by dividing the gas equivalent quantity of the projected payments to electric providers by the estimated quantity of gas delivered by Transporter for the account of Shippers. For the purpose of this computation, payments to electric providers shall be those payments related to the six-month period commencing with the effective date of each Base FRCP. The gas equivalent quantity shall be determined by dividing the projected payments to electric providers by the projected Posted Prices as defined in the balancing provisions of Section 14. Transporter shall include supporting workpapers.~~

~~3. Transporter shall determine a system lost and unaccounted for LAUF percentage that shall be included in the Base FRCP, as applicable.~~

~~_____~~C. ~~Filing of Unit Fuel Surcharge~~

~~_____~~1. ~~Effective Date~~

~~_____~~The effective date of each Base Unit Fuel Surcharge for the Market Area and the Western Division shall be April 1 and October 1.

~~_____~~2. ~~Unit Fuel Surcharge Filing Procedures~~

~~_____~~At least thirty (30) days prior to the Effective Date, Transporter shall file workpapers setting forth the Base Unit Fuel Surcharge for the Market Area and the Western Division as determined in accordance with Section 27.D.

~~_____~~Interim Adjustments. Transporter may at any time file to make an interim adjustment to the Base Unit Fuel Surcharge for the Market Area or the Western Division provided that such adjustment may not result in the Unit Fuel Surcharge differing from the Base Unit Fuel Surcharge by more than \$0.0025 per MMBtu. Such adjustment shall only be effective at the beginning of the month and tariff sections shall become effective on the date proposed, provided that the Transporter files such tariff sections no more than sixty (60) days and no later than seven (7) days prior to the proposed effective date. Such tariff sections shall be effective without prior FERC approval and notice shall be provided to Shippers at least five (5) working days prior to the nomination deadline for the first day of the month under Section 10.

~~_____~~3. ~~The Unit Fuel Surcharge Recovery Periods~~

~~_____~~The Recovery Periods for the Unit Fuel Surcharge for the Market Area and the Western Division shall be the six-month periods beginning each April 1 (Summer Period) or October 1 (Winter Period).

~~_____~~D. ~~Computation of the Unit Deferred Gas Fuel Surcharge~~

~~_____~~The Unit Fuel surcharge shall be determined separately for the Market Area and the Western Division on a semi-annual basis and shall be the sum of the Gas Unit Fuel Surcharge and the Electric Unit Fuel Surcharge.

~~1. _____~~The Gas Unit Fuel Surcharge shall be computed separately for the Market Area and the Western Division by dividing the balance of the Summer or Winter Gas Deferred Fuel Account, as appropriate, plus interest and any unamortized balance from the prior corresponding recovery period by the estimated quantity of gas to be delivered in the Market Area or the Western Division, as applicable, during the recovery period.

~~2. The Electric Unit Fuel Surcharge shall be computed separately for the Market Area and the Western Division by dividing the balance of the Summer or Winter Electric Deferred Fuel Account, as appropriate, plus interest and any unamortized balance from the prior corresponding recovery period by the estimated quantity of gas to be delivered during the recovery period.~~

~~E. Deferred Fuel Account~~

~~For the Market Area, and for the Western Division and the system LAUF, Transporter shall establish and maintain separate Gas and Electric Deferred Gas Fuel Accounts for the Summer and Winter Periods. For each billing month, the applicable seasonal Gas-Deferred Gas Fuel Account shall be increased or decreased by the volumetric difference between retained fuel and actual fuel (including actual quantities of gas delivered to party(ies) as payment for compression services provided to Transporter and lost and unaccounted for quantities LAUF) valued at the simple arithmetic average of the Sales Posted Price and the Purchase Posted Price as defined in the monthly balancing provisions of Section 14.~~

The quantity recorded in the Market Area or Western Division Gas-Deferred Gas Fuel Accounts shall be the difference between (1) the product obtained by multiplying the applicable effective Fuel Reimbursement Charge Percentage FRCP for the Market Area or the Western Division by the total throughput for the Market Area or Western Division excluding those quantities identified in Section 27.A.4 above and (2) the actual quantities of gas expended for fuel usage, actual quantities of gas delivered to party(ies) as payment for compression services provided to Transporter and lost and unaccounted for gas and any change in line pack attributable to operation of the cash-out mechanism during the billing month, less fuel retained on the excluded quantities identified in Section 27.A.4 above.

~~For each billing month, the applicable seasonal Market Area or Western Division Electric Deferred Fuel Account shall be increased or decreased by the difference between the amount received from the sale of retained fuel from the Market Area or Western Division Electric Base FRCP, and actual cash payments to electric providers, including billing adjustments surcharges and taxes, incurred in the operation of electric compression; provided, however, cash payments to electric providers for monthly demand charges and surcharges and taxes based on such demand charges at Compressor Station No. 13A shall be excluded as applicable.~~

~~The quantity recorded in the system LAUF Deferred Account shall be the difference between (1) the product obtained by multiplying the applicable effective Fuel Reimbursement Charge Percentage for LAUF by the total system throughput, excluding~~

those quantities identified in Section 27.A.4 above, and (2) LAUF and any change in line pack attributable to operation of the cash-out mechanism during the billing month.

In no event shall the balance of a summer ~~d~~Deferred Gas Fuel Account be recovered in the Winter period; nor shall the balance in a Winter Deferred Gas Fuel Account be recovered in the Summer Period.

Interest on the Market Area and the Western Division Deferred Gas Fuel Accounts shall accrue in accordance with Section 154.501(d) of the ~~Federal Energy Regulatory~~ Commission's Regulations.

The Deferred Gas Fuel Surcharge shall be computed by dividing the balance of the Summer or Winter Deferred Gas Fuel Account, as appropriate, plus interest and unamortized balance from the prior corresponding recovery period by the estimated quantity of gas to be delivered during the recovery period.

D. Computation of Electric Power Cost

The Electric Power Cost shall include the cash payments made by Transporter to electric providers incurred in the operation of electric compression, excluding cash payments to electric providers for monthly demand charges and surcharges and taxes based on such demand charges at Compressor Station No. 13A. The Electric Power Cost shall be determined separately for the Market Area and the Western Division and shall be calculated by dividing the projected payments to electric providers by the estimated quantity of gas to be delivered in the Market Area or the Western Division, as applicable, during the recovery period. For the purpose of this computation, payments to electric providers shall be those payments related to the six-month period commencing with the effective date of each Electric Power Cost. Transporter shall include supporting workpapers.

E. Computation of the Deferred Electric Power Cost Surcharge

1. For each billing month, the applicable seasonal Market Area or Western Division Deferred Electric Power Cost Account shall be increased or decreased by the difference between the amount received from the Market Area or Western Division Electric Power Cost, and actual cash payments to electric providers, including billing adjustments, surcharges and taxes, incurred in the operation of electric compression; provided, however, cash payments to electric providers for monthly demand charges and surcharges and taxes based on such demand charges at Compressor Station No. 13A shall be excluded as applicable.

In no event shall the balance of a summer Deferred Electric Power Cost Account be recovered in the Winter period; nor shall the balance in a Winter Deferred Electric Power Cost Account be recovered in the Summer Period.

Interest on the Market Area and the Western Division Deferred Electric Power Cost Accounts shall accrue in accordance with Section 154.501(d) of the Commission's Regulations.

2. The Deferred Electric Power Cost Surcharge shall be computed by dividing the balance of the Summer or Winter Deferred Electric Power Cost Account, as appropriate, plus interest and any unamortized balance from the prior corresponding recovery period by the estimated quantity of gas to be delivered during the recovery period.

F. Flex Adjustments

Transporter may at any time file to make a flex adjustment to the Market Area or the Western Division FRCP. Such adjustment shall not adjust the FRCP more than a total of five-tenths percent (0.5%) from the Base FRCP and shall only be effective at the beginning of a month. Notification of a flex adjustment shall be posted on Transporter's Internet website at least five (5) working days prior to the nomination deadline for the first day of the month under Section 10. Tariff records reflecting such adjustment shall become effective on the date proposed, provided that Transporter files such tariff records no more than sixty (60) days and at least seven (7) days before the proposed effective date and shall become effective without prior FERC approval.

G. Interim Adjustments

Transporter may at any time file to make an interim adjustment to the Base Unit Fuel Charge for the Market Area or the Western Division provided that such adjustment may not result in the Unit Fuel Charge differing from the Base Unit Fuel Charge by more than \$0.0050 per MMBtu. Such adjustment shall only be effective at the beginning of the month and tariff sections shall become effective on the date proposed, provided that the Transporter files such tariff records no more than sixty (60) days and no later than seven (7) days prior to the proposed effective date. Such tariff records shall be effective without prior FERC approval and notice shall be provided to Shippers at least five (5) working days prior to the nomination deadline for the first day of the month under Section 10.

FH. Western Division Fuel Charges

For gas delivered in Transporter's Western Division, Transporter shall retain as fuel reimbursement the sum of fuel charges by Transporting Pipelines, if applicable, plus the Fuel Reimbursement Charge ~~Percentage Adjustment~~ listed on the Currently Effective Rates for Rate Schedules FTS-WD and ITS-WD.

GI. Fuel Charges Applicable to Quantities Received and Delivered in Market Area

For gas received and delivered within Transporter's Market Area, Transporter shall retain as fuel reimbursement the ~~Fuel Reimbursement Charge Percentage~~ FRCP listed on the

Currently Effective Rates for Rate Schedules FTS-1, FTS-2, FTS-3, SFTS and ITS-1 applied to transportation of natural gas through compressor stations needed to move natural gas on a forwardhaul basis from Market Area Points of Receipt to Market Area Points of Delivery; provided however, the minimum fuel charge, including ~~lost and unaccounted for~~ LAUF, shall be 0.25% and the maximum fuel charge shall be the ~~E~~ffective Fuel Reimbursement Charge ~~Percentage~~ Adjustment. For Backhauls from Market Area Points of Receipt to Market Area Points of Delivery, the fuel charge, including ~~lost and unaccounted for~~ LAUF, shall be 0.25%.