



**NORTHWEST PIPELINE LLC**  
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February 28, 2018

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

**Re: Northwest Pipeline LLC**  
Docket No. RP18-\_\_\_

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 (“Tariff”), Fifth Revised Volume No. 1:

Twenty-First Revised Sheet No. 14

By this filing, Northwest proposes the following fuel reimbursement factors (“Factor(s)”): (1) an increase from 1.00% to 1.16% in the Factor for Northwest’s transportation services under Rate Schedules TF-1<sup>1</sup>, TF-2, TI-1 and DEX-1; (2) an increase from 0.15% to 0.17% in the Factor for Northwest’s underground storage services under Rate Schedules SGS-2F and SGS-2I; (3) no change of the 0.53% liquefaction Factor for Northwest’s liquefied natural gas (“LNG”) storage services under Rate Schedules LS-2F, LS-3F, LS-2I and LD-4I; and (4) no change of the 0.53% vaporization Factor for Northwest’s LNG storage services under Rate Schedules LS-2F, LS-3F and LS-2I.

The above Factors provide in-kind reimbursement to Northwest for fuel gas used and gas lost and unaccounted-for (“L&U”) in its transmission and storage system operations.

As part of its annual Summer Fuel Filing, Northwest is required to true-up the Liquefaction Facility Charge for Rate Schedules LS-3F and LD-4I. Northwest proposes no change for 2018 to the estimated LS-3F and LD-4I liquefaction charges, as discussed below.

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<sup>1</sup> 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.

### ***Statement of Nature, Reasons and Basis for the Filing***

Northwest is submitting this filing to comply with Section 14.12 and Section 14.20 of the General Terms and Conditions (“GT&C”) contained in Northwest's Tariff, which requires the Factor for the transportation rate schedules to be determined semi-annually to become effective on April 1 and October 1 of each year, and requires Factors for storage rate schedules to be determined annually to become effective April 1 of each year.

Although Northwest’s Tariff does not dictate the use of any particular methodology for making the projections that are necessary components of a proposed Factor, Northwest typically bases its projected transportation quantities, fuel usage and L&U on historical averages. Unless specifically noted, Northwest has continued to use that methodology in making the current projections for its Factors. Exhibits A and B and supporting work papers are included herein to show the data and formulas used to derive the proposed Factors. As further discussed below, Northwest proposes to use the same Factors as last year due to limited activity at the Plymouth LNG Facility. See Exhibits C and D for a summary of activity.

### **Mainline Transportation (Calculations on Exhibit A)**

Northwest proposes an increase from 1.00% to 1.16% for the Factor to be used during the upcoming April through September 2018 period for transportation services under Rate Schedules TF-1, TF-2, TI-1 and DEX-1. The proposed 1.16% Factor is designed to recover the anticipated fuel usage and L&U and to true-up the variance between fuel reimbursed and fuel used (including L&U) for prior periods.

### **Underground Storage (Calculations on Exhibit B)**

Northwest proposes an increase from 0.15% to 0.17% for the Factor to be used during the upcoming April 2018 through March 2019 period for storage service at the Jackson Prairie Storage Project under Rate Schedules SGS-2F and SGS-2I.

### **LNG Storage (Calculations on Exhibits C and D)**

Northwest proposes no change to the 0.53% liquefaction Factor to be used during the upcoming April 2018 through March 2019 period for storage service at the Plymouth LNG facility under Rate Schedules LS-2F, LS-3F, LS-2I and LD-4I.

Northwest proposes no change to the 0.53% vaporization Factor to be used during the upcoming April 2018 through March 2019 period for storage service at the Plymouth LNG facility under Rate Schedules LS-2F, LS-3F, LS-2I and LD-4I.

Northwest proposes no change to the liquefaction and vaporization Factors due to the low usage of the facility over the past year. Northwest has included the cumulative balances for fuel usage and lost and unaccounted for gas for informational purposes in calculating future Factors. Any under/over recoveries of liquefaction or vaporization fuel usage will be trued up in next year's filing. Shippers holding storage capacity at the Plymouth LNG facility have agreed to this methodology for the upcoming period.<sup>2</sup>

### **LS-3F and LD-4I Estimated Liquefaction Charge**

Plymouth LNG Rate Schedules LS-3F and LD-4I were added to Northwest's Tariff in October 2014.<sup>3</sup> Section 14.20 of the GT&C of Northwest's Tariff states that the current year's estimated liquefaction charge for these two Rate Schedules are to be filed concurrently with Northwest's annual fuel filing. Since no shippers have utilized services under either a Rate Schedule LS-3F or LD-4I Service Agreement, Northwest proposes no change to the liquefaction charge of \$0.90855 for both of these services during the upcoming April 2018 through March 2019 period.

### ***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.

### ***Effective Date and Waiver Request***

Northwest hereby moves that the Tariff sheet be made effective April 1, 2018, or at the end of any suspension period which may be imposed by the Commission. Also, Northwest requests that the Commission grant any other waivers it may deem necessary for the acceptance of this filing.

### ***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 and a marked version of such sheet;
- transmittal letter, Exhibits A, B, C, D and supporting schedules.

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<sup>2</sup> Shippers currently holding storage capacity at the Plymouth LNG Facility include: Cascade Natural Gas Corporation, Intermountain Gas Company, City of Ellensburg, and Puget Sound Energy, Inc.

<sup>3</sup> Northwest Pipeline LLC, Docket No. RP15-42, Letter Order dated October 24, 2014.

Ms. Kimberly D. Bose  
February 28, 2018  
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***Service and Communications***

In compliance with 18 CFR § 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**

***Laren Gertsch***  
\_\_\_\_\_  
Director, Rates and Tariffs

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	1.1600%
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	0.1715%
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.

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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  
FOR REIMBURSEMENT OF FUEL USE

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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	1.16%
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.

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Footnote

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## Northwest Pipeline LLC

## Derivation of Fuel Factors to be Effective April 1, 2018

(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	5,193,548	(i)
2	14.12(h)	Projected Evergreen Expansion incremental surcharge reimbursement	(92,182)	(vi)
3	14.12(g)	Cumulative over-recovery of fuel as of Dec. 31, 2017	(804,435)	(ii)
4		Total projected fuel usage	4,296,931	
5	14.12(b)	Average projected lost and unaccounted-for	(259,040)	(iii)
6	14.12(g)	Cumulative over-recovery of L&U as of Dec. 31, 2017	(81,817)	(iv)
7		Total over-recovery projected lost and unaccounted-for gas	(340,857)	
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	3,956,074	
10	14.12(d)	Projected transportation receipts	341,579,473	(v)
11	14.12(e)	Factor (line 9 divided by line 10)	1.16%	

Notes to Page 1 of Exhibit A

	Dth
(i) Fuel usage projected as follows:	
Actual April - September 2017 fuel usage	4,803,150
Actual April - September 2016 fuel usage	5,252,925
Actual April - September 2015 fuel usage	5,524,569
Average April - September fuel usage during last three seasons	5,193,548
(ii) Fuel usage true-up adjustment calculated as follows:	
Cumulative over-recovery of fuel as of Jun. 30, 2017 per true-up adj. in Oct. 1, 2017 filing	(469,011)
Actual July - December 2017 fuel usage	4,194,072
Fuel Adjustment	0
Total before fuel reimbursements	3,725,061
Actual July - December 2017 fuel reimbursements	
General system reimbursements	4,417,681
Evergreen Expansion incremental surcharge reimbursements	111,815
Total Fuel Reimbursements	4,529,496
Cumulative over-recovery of fuel as of Dec. 31, 2017	(804,435)

## Northwest Pipeline LLC

## Derivation of Fuel Factors to be Effective April 1, 2018

## Exhibit A (continued)

Calculation for Rate Schedules TF-1, TF-2, TI-1, DEX-1Notes to Page 1 of Exhibit A (continued)

	<u>Dth</u>	
(iii) Lost and unaccounted-for gas projected as follows:		
Twelve months ended December 2017 actual lost and unaccounted-for	(986,148)	
Twelve months ended December 2016 actual lost and unaccounted-for	(582,249)	
Twelve months ended December 2015 actual lost and unaccounted-for	14,155	
Average twelve months lost and unaccounted-for gas during last three years	<u>(518,081)</u>	
Six month lost and unaccounted-for gas (twelve month average divided by 2)	(259,040)	
Out of period adjustments or other forecast adjustments	0	(1)
Average projected lost and unaccounted-for	<u>(259,040)</u>	
(iv) Lost and unaccounted-for gas true-up adjustment determined as follows:		
Cumulative over-recovery of L&U as of Jun. 30, 2017 per true-up adj. in Oct. 1, 2017 filing	(319,768)	
Actual July - December 2017 lost and unaccounted-for	<u>(269,160)</u>	
Total over-recovery	(588,928)	
Less: reimbursements collected between July - Dec 2017 for lost and unaccounted-for gas	<u>(507,111)</u>	
Cumulative over-recovery of L&U as of Dec. 31, 2017	<u>(81,817)</u>	
(v) Transportation receipt quantities projected as follows:		
Actual April - September 2017 delivered transportation	321,820,652	
Actual April - September 2016 delivered transportation	329,860,721	
Actual April - September 2015 delivered transportation	<u>360,912,280</u>	
Average April - September delivered transportation during last three seasons	<u>337,531,218</u>	
Projected April - September 2018 delivered transportation	337,531,218	
Projected April - September 2018 fuel and lost and unaccounted-for gas receipts	3,956,074	
Projected Evergreen Expansion incremental surcharge reimbursement	92,182	
Projected transportation receipts	<u>341,579,473</u>	
(vi) Evergreen Expansion incremental surcharge reimbursement projected as follows:		
Actual April - September 2017 delivered transportation	18,305,228	
Actual April - September 2016 delivered transportation	19,380,823	
Actual April - September 2015 delivered transportation	<u>16,704,926</u>	
Average April - September delivered transportation during last three seasons	<u>18,130,326</u>	
Projected April - September 2018 delivered transportation	18,130,326	
Projected April - September 2018 fuel and lost and unaccounted-for gas receipts using a factor of 1.16% plus 0.50% incremental surcharge	<u>306,044</u>	
Projected April - September 2018 receipts for Evergreen Expansion shippers	18,436,369	
Evergreen Expansion incremental surcharge	0.50%	
Projected Evergreen Expansion incremental surcharge reimbursement	<u>92,182</u>	

(1) Northwest does not have any out-of-period or other adjustments that need to be recovered in this filing



## Northwest Pipeline LLC

Derivation of Fuel Factors to be Effective April 1, 2018

## Exhibit B

Calculation for Rate Schedules SGS-2F and SGS-2I

Line No.	Section No.	Description	Dth	Note No.
1	14.12(a)	Average projected fuel usage during last three years	36,650	(i)
2	14.12(g)	Cumulative over-recovery of fuel as of Dec. 31, 2017	(12,847)	(ii)
3		Total projected fuel usage	23,803	
4	14.12(b)	Projected lost and unaccounted-for	0	
5	14.12(g)	Lost and unaccounted-for gas true-up adjustment	0	
6		Total projected lost and unaccounted-for gas	0	
7	14.12(f)	Total projected fuel and lost and unaccounted-for gas	23,803	
8	14.12(d)	Total projected nominated injections	14,349,993	(iii)
9	14.12(f)	Factor (line 7 divided by line 8)	0.17%	

Notes to Exhibit B

(i) Fuel usage projected as follows:

	Dth
Actual 2017 fuel usage	38,804
Actual 2016 fuel usage	43,821
Actual 2015 fuel usage	27,324
Average projected fuel usage during last three years	36,650

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

Cumulative over-recovery of fuel as of Dec. 31, 2016 per true-up adj. in Apr. 1, 2017 filing	(21,230)
Actual January - December 2017 fuel usage	38,804
Total before fuel reimbursements under-recovered	17,574
Less: reimbursements collected January - December 2017	30,421
Cumulative over-recovery of fuel as of Dec. 31, 2017	(12,847)

(iii) Nominated injections projected as follows:

Actual 2017 nominated injections	16,563,203
Actual 2016 nominated injections	17,388,610
Actual 2015 nominated injections	9,026,757
Average nominated injections during last three years	14,326,190
Projected 2018 nominated injections	14,326,190
Projected 2018 fuel and lost and unaccounted-for gas under-recovered	23,803
Total projected nominated injections	14,349,993

Northwest Pipeline LLC  
Derivation of Fuel Factors to be Effective April 1, 2018

Exhibit C

Calculation for Rate Schedules LS-2F, LS-3F, LS-2I and LD-4I - Liquefaction Factor

Line No.	Section No.	Description	Dth	Note No.
1	14.12(f)	Fuel Factor	<u>0.53%</u>	(1)

(1) Northwest proposes no change to the liquefaction and vaporization Factors due to the low usage of the facility over the past year.

Notes to Exhibit C

	Dth	
(i) Fuel usage true-up balance calculated as follows:		
Cumulative under-recovery of fuel as of Dec. 31, 2016 per true-up adj. in April 1, 2017 filing	6,272	
Actual January - December 2017 fuel usage	5,181	
Total before fuel reimbursements under-recovery	11,453	
Less: Actual January - December 2017 fuel reimbursements	9,973	
Cumulative under-recovery of fuel as of Dec. 31, 2017	1,480	(2)
(ii) Lost and unaccounted-for gas true-up balance calculated as follows:		
Cumulative under-recovery of L&U as of Dec. 31, 2016 per true-up adj. in Apr. 1, 2017 filing	169	
Total before lost and unaccounted-for reimbursements	169	
Less: reimbursements collected between July - Dec. 2017 lost and unaccounted-for gas	(3,730)	
Cumulative under-recovery of L&U as of Dec. 31, 2017	3,899	(2)
(2) Northwest has included the cumulative balances for fuel usage and lost and unaccounted for gas for informational purposes in calculating future Factors. Any under/over recoveries of liquefaction or vaporization fuel usage will be trued up in next year's filing.		

Northwest Pipeline LLC

Derivation of Fuel Factors to be Effective April 1, 2018

Exhibit D

Calculation for Rate Schedules LS-2F, LS-3F and LS-2I - Vaporization Factor

Line No.	Section No.	Description	Dth	Note No.
1	14.12(f)	Factor	<u>0.53%</u>	(1)

- (1) Northwest proposes no change to the liquefaction and vaporization Factors due to the low usage of the facility over the past year.

Notes to Exhibit D

	Dth	Note No.
(i) Fuel usage true-up balance calculated as follows:		
Cumulative over-recovery of fuel as of Dec. 31, 2016 per true-up adj. in April 1, 2017 filing	(3,692)	
Total before fuel reimbursements over-recovery	(3,692)	
Less: reimbursements collected between January - December 2017 fuel	-	
Cumulative over-recovery of fuel as of Dec. 31, 2017	<u>(3,692)</u>	(2)
(ii) Lost and unaccounted-for gas true-up balance calculated as follows:		
Cumulative under-recovery of L&U as of Dec. 31, 2016 per true-up adj. in Apr. 1, 2017 filing	194	
Actual January - December 2017 lost and unaccounted-for	<u>49</u>	
Total before lost and unaccounted-for reimbursements	243	
Less: reimbursements collected between July - Dec. 2017 lost and unaccounted-for gas	0	
Cumulative under-recovery of L&U as of Dec. 31, 2017	<u>243</u>	(2)
(2) Northwest has included the cumulative balances for fuel usage and lost and unaccounted for gas for informational purposes in calculating future Factors. Any under/over recoveries of liquefaction or vaporization fuel usage will be trued up in next year's filing.		

Northwest Pipeline LLC

Detail of 2017 Actuals Used to Derive Fuel Factors to be Effective April 1, 2018

(Dth)

Month	Transportation					
	Fuel Usage	Delivered Transportation	Lost and Unaccounted	Increase in Volumes	Reimbursements System-Wide	Reimbursements Surcharge
Jul-17	798,327	55,727,592	(26,549)	0	643,353	5,822
Aug-17	845,320	52,258,500	107,852	0	721,783	21,490
Sep-17	609,564	48,487,163	(85,857)	0	677,387	26,316
	<u>2,253,211</u>	<u>156,473,255</u>	<u>(4,554)</u>	<u>0</u>	<u>2,042,523</u>	<u>53,628</u>
Oct-17	419,929	57,007,763	(57,814)	0	628,594	16,379
Nov-17	663,346	65,811,577	(13,950)	0	575,068	20,465
Dec-17	857,586	86,208,233	(192,842)	0	664,385	21,343
	<u>1,940,861</u>	<u>209,027,573</u>	<u>(264,606)</u>	<u>0</u>	<u>1,868,047</u>	<u>58,187</u>
Total	<u>4,194,072</u>	<u>365,500,828</u>	<u>(269,160)</u>	<u>0</u>	<u>3,910,570</u>	<u>111,815</u>

Reference:

Exhibit A Page 1 Note (ii)	Exhibit A Page 2 Note (iv)	Exhibit A Page 1 Line 8
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Storage

Month	Jackson Prairie			Plymouth LNG						
	Usage	Reimbursements	Injections	Usage-Liq	Reimburse-Liq	Nom'd Inj's	L&U	Usage Vap	Reimb-Vap	Nom'd Wd
Jan-17	6,374	8,547	3,710,195	445	0	700	0	337	0	163,370
Feb-17	9,884	3,807	1,645,898	221	790	0	5	2	0	232,222
Mar-17	4,435	1,862	806,282	138	369	51,096	9	47	0	0
Apr-17	3,915	1,881	823,748	297	1,851	258,809	0	0	0	0
May-17	1,993	2,425	1,620,647	12	0	0	0	0	0	0
Jun-17	1,349	3,498	2,367,191	33	84	15,812	0	0	0	0
Jul-17	1,294	2,439	1,624,276	3	28	4,881	0	0	0	0
Aug-17	2,489	2,123	1,407,927	145	808	152,602	0	0	0	0
Sep-17	2,594	1,524	1,018,688	1,665	1,146	215,844	0	0	0	0
Oct-17	1,832	1,182	786,399	1,470	796	148,818	84	0	0	0
Nov-17	1,383	434	289,842	353	87	16,415	0	32	0	0
Dec-17	1,262	699	462,110	399	284	0	0	22	0	0
	<u>38,804</u>	<u>30,421</u>	<u>16,563,203</u>	<u>5,181</u>	<u>6,243</u>	<u>864,977</u>	<u>98</u>	<u>440</u>	<u>0</u>	<u>395,592</u>

Reference:

Exhibit B Note (ii)	Exhibit B Note (ii)	Exhibit B Note (iii)	Exhibit C Note (ii) (89) Exhibit C Note (iv)	Exhibit C Note (v)	Exh. C (50%) Exh. D (50%)	Exhibit D Note (ii)	Exhibit D Note (iv)
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Northwest Pipeline LLC

Detail of 2017 Actuals Used to Derive Fuel Factors to be Effective April 1, 2018

(Dth)

Allocation of July - December 2017 Transportation Reimbursements

July - September 2017 reimbursements allocated between fuel usage and lost and unaccounted-for gas based on projections and true-ups included in the April 1, 2017 Factor calculation:

<u>Allocation of Projections and True-ups:</u>		
Projected fuel usage	4,916,123	115.06%
Projected lost and unaccounted-for gas	<u>(643,369)</u>	<u>-15.06%</u>
Total projections (includes true-ups)	<u>4,272,754</u>	<u>100.00%</u>

<u>Allocation of Reimbursements to:</u>			
	Fuel	Lost and Unaccounted	Total
Actual Reimbursements			2,042,523
Allocated percentage	115.06%	-15.06%	100.00%
Allocated reimbursements	<u>2,350,127</u>	<u>(307,604)</u>	<u>2,042,523</u>

October - December 2017 reimbursements allocated between fuel usage and lost and unaccounted-for gas based on projections and true-ups included in the October 1, 2017 Factor calculation:

<u>Allocation of Projections and True-ups:</u>		
Projected fuel usage	4,513,851	110.68%
Projected lost and unaccounted-for gas	<u>(435,456)</u>	<u>-10.68%</u>
Total projections (includes true-ups)	<u>4,078,395</u>	<u>100.00%</u>

<u>Allocation of Reimbursements to:</u>			
	Fuel	Lost and Unaccounted	Total
Actual Reimbursements			1,868,047
Allocated percentage	110.68%	-10.68%	100.00%
Allocated reimbursements	<u>2,067,554</u>	<u>(199,507)</u>	<u>1,868,047</u>

Total July - December 2017 Allocated Transportation Reimbursements

<u>Allocation of Reimbursements to:</u>			
	Fuel	Lost and Unaccounted	Total
July - September 2017	2,350,127	(307,604)	2,042,523
October - December 2017	2,067,554	(199,507)	1,868,047
	<u>4,417,681</u>	<u>(507,111)</u>	<u>3,910,570</u>

Reference:

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

## Northwest Pipeline LLC

## Detail of 2017 Actuals Used to Derive Fuel Factors to be Effective April 1, 2018

(Dth)

Allocation of January - December 2017 Liquefaction Reimbursements

January - December 2017 reimbursements allocated between fuel usage and lost and unaccounted-for gas based on projections and true-ups (Exhibit C & D netted) included in the April 1, 2017 Factor calculation:

Allocation of Projections and True-ups:

Projected fuel usage	8,554	159.74%
Projected lost and unaccounted-for gas	<u>(3,199)</u>	<u>-59.74%</u>
Total projections (includes true-ups)	<u>5,355</u>	<u>100.00%</u>

Allocation of Reimbursements to:

	<u>Fuel</u>	<u>Lost and Unaccounted</u>	<u>Total</u>
Actual Reimbursements			6,243
Allocated percentage	<u>159.74%</u>	<u>-59.74%</u>	<u>100.00%</u>
Allocated reimbursements	<u>9,973</u>	<u>(3,730)</u>	<u>6,243</u>

Reference:

Exhibit C	Exhibit C
Page 1	Page 1
Note (ii)	Note (iv)

## Northwest Pipeline LLC

Detail of 2017 Actuals Used to Derive Fuel Factors to be Effective April 1, 2018

(Dth)

Monthly Detail of Historical Transportation Actuals Used to Derive Forecast

<u>Month</u>	<u>Transportation</u>			<u>Delivered Evergreen Markets</u>
	<u>Fuel Usage</u>	<u>Delivered Transportation</u>	<u>Lost and Unaccounted</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			(192,842)	
	<u>4,803,150</u>	<u>321,820,652</u>	<u>(986,148)</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>
Jan-15			205,878	
Feb-15			76,120	
Mar-15			(56,766)	
Apr-15	1,005,368	60,385,673	140,331	2,386,279
May-15	833,744	60,009,691	100,344	2,843,023
Jun-15	816,320	62,646,545	97,132	3,564,769
Jul-15	916,507	63,738,814	145,849	3,757,329
Aug-15	1,099,443	60,130,769	8,435	2,044,967
Sep-15	853,187	54,000,788	222,237	2,108,559
Oct-15			(736,014)	
Nov-15			(127,201)	
Dec-15			(62,190)	
	<u>5,524,569</u>	<u>360,912,280</u>	<u>14,155</u>	<u>16,704,926</u>
<u>Reference:</u>				
Exhibit A	Exhibit A		Exhibit A	
Page 1	Page 2		Page 2	
Note (i)	Note (v)		Note (vi)	



**NORTHWEST PIPELINE LLC**  
P.O. Box 58900  
Salt Lake City, UT 84158-0900  
Phone: (801) 584-7200  
FAX: (801) 584-7764

February 28, 2018

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

**Re: Northwest Pipeline LLC**  
Docket No. RP18-

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”):

Twelfth Revised Sheet No. 5-B

***Statement of Nature, Reasons and Basis for the Filing***

Northwest is submitting this filing to update the annual incremental South Seattle Delivery Lateral Expansion Project facility charge in compliance with the Commission’s order in Docket No. CP12-471.<sup>1</sup>

***Filings Pending Before the Commission***

In compliance with 18 CFR § 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 hereby moves that the proposed Tariff sheet be made effective April 1, 2018, or at the end of any suspension period which may be imposed by the Commission. Northwest requests that the Commission grant any waivers it may deem necessary for the acceptance of this filing.

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<sup>1</sup> *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.



Ms. Kimberly D. Bose  
February 28, 2018  
Page 2 of 2

***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,
- Transmittal letter, and
- Supporting Work Papers

***Service and Communications***

In compliance with 18 CFR § 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:

Laren Gertsch  
Director, Rates and Tariffs  
(801) 584-7200  
Northwest Pipeline LLC  
P.O. Box 58900  
Salt Lake City, Utah 84158-0900  
laren.gertsch@williams.com

Bruce D. Reemsnyder  
Senior Counsel  
(801) 584-6742  
Northwest Pipeline LLC  
P.O. Box 58900  
Salt Lake City, Utah 84158-0900  
bruce.reemsnyder@williams.com

The undersigned certifies that the contents of this filing are true and correct to the best of his knowledge and belief; that the paper and electronic versions of the submitted tariff sheets contain the same information; and that he possesses full power and authority to sign this filing.

Respectfully submitted,

**NORTHWEST PIPELINE LLC**

***Laren Gertsch***  
\_\_\_\_\_  
Director, Rates and Tariffs

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 No. 140053 is subject to an annual incremental facility charge pursuant to Section 21 of the General Terms and Conditions for the South Seattle Delivery Lateral Expansion Project. The effective annual incremental facility charge is ~~\$3,417,0623,207,431~~ and is billed in equal monthly one-twelfth increments. The daily incremental facility charge is ~~\$0.14651-13752~~ 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 during the indicated months or calendar years as follows:

(Dollars per Dth)

Year	Rate	Year	Rate	Year	Rate
2018	\$0.09855	2021	\$0.08194	2023	\$0.07199
2019	\$0.09189	2022	\$0.07696	2024	\$0.06680
2020	\$0.08667				

January 1, 2025 - March 31, 2025 \$0.06552

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.

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2020	\$0.08667				

January 1, 2025 - March 31, 2025 \$0.06552

**NORTHWEST PIPELINE LLC**  
**South Seattle Lateral Facilities**  
**2018 Cost of Service Forecast**  
**Summary**

<b>Operation and Maintenance Expense</b>	<b>\$50,385</b>
<b>Depreciation Expense</b>	<b>\$1,421,725</b>
<b>Taxes Other Than Income Taxes</b>	<b>\$174,845</b>
<b>State Income Tax</b>	<b>\$62,369</b>
<b>Federal Income Taxes</b>	<b>\$414,757</b>
<b>Return</b>	<b><u>\$1,083,350</u></b>
<b>Total Cost of Service</b>	<b><u><u>\$3,207,431</u></u></b>

**Capacity Release Rate Development:**

<b>Cost of Service</b>	<b>\$3,207,431</b>
<b>Annual Billing Determinants (Dth)</b>	<b>23,323,500</b>
<b>Capacity Release Rate (Dth/d)</b>	<b>\$0.13752</b>

**(See Workpaper Assumptions)**

**NORTHWEST PIPELINE LLC**  
**South Seattle Lateral Facilities**  
**2018 Cost of Service Forecast**  
**Operation and Maintenance Expenses**

<b>Operation and Maintenance Expenses</b>	<b>\$13,368</b>
<b>Administrative and General Expenses</b>	<u><b>\$37,017</b></u>
<b>Total Operation and Maintenance Expense</b>	<u><u><b>\$50,385</b></u></u>

**(See Workpaper Assumptions)**

**NORTHWEST PIPELINE LLC**

**South Seattle Lateral Facilities**

**2018 Cost of Service Forecast**

**Depreciation Expense and Taxes Other Than Income Taxes**

<b>Depreciation Expense</b>	<b>\$1,421,725</b>
<b>Taxes Other Than Income Taxes:</b>	
<b>Ad Valorem Tax</b>	<b>\$173,659</b>
<b>Payroll Taxes</b>	<b>\$834</b>
<b>Franchise and Sundry Taxes</b>	<b>\$352</b>
<b>Total Taxes Other Than Income Taxes</b>	<b>\$174,845</b>

**(See Workpaper Assumptions)**

**NORTHWEST PIPELINE LLC**  
**South Seattle Lateral Facilities**  
**2018 Cost of Service Forecast**  
**Federal and State Income Taxes**

<b>Taxable Portion of Return</b>	<b>\$770,262</b>
<b>State Taxable Income (Grossed-up for Taxes <math>\div</math> (1-.3825))</b>	<b>\$1,247,388</b>
<b>State Income Tax Rate</b>	<u><b>5.00%</b></u>
<b>State Income Tax at 5.00%</b>	<u><u><b>\$62,369</b></u></u>
<b>Federal Taxable Income</b>	<b>\$1,185,019</b>
<b>Federal Income Tax Rate</b>	<u><b>35.00%</b></u>
<b>Federal Income Tax</b>	<u><u><b>\$414,757</b></u></u>

**(See Workpaper Assumptions)**

**NORTHWEST PIPELINE LLC**  
**South Seattle Lateral Facilities**  
**2018 Cost of Service Forecast**  
**Rate Base and Return**

**Average Rate Base:**

<b>Gas Plant in Service</b>	<b>\$20,416,781</b>
<b>Accumulated Depreciation</b>	<b><u>(\$6,525,210)</u></b>
<b>Net Plant</b>	<b>\$13,891,571</b>
<b>Accumulated Deferred Income Taxes</b>	<b>(\$3,061,653)</b>
<b>Working Capital</b>	<b><u>\$3,585</u></b>
<b>Total Average Rate Base</b>	<b>\$10,833,503</b>
<b>Weighted Overall Cost of Capital per Facilities Agreement</b>	<b><u>10.00%</u></b>
<b>Return</b>	<b><u><u>\$1,083,350</u></u></b>

**(See Workpaper Assumptions)**



**NORTHWEST PIPELINE LLC**  
**South Seattle Lateral Facilities**  
**2018 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,<sup>1</sup> 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 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.<sup>2</sup>

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 0.30 percent for transmission facilities, as outlined in the Settlement.

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 35 percent. Exhibit "C" of the service agreement between Puget and Northwest provides that the "federal income tax expense is based on the IRS federal income tax rate in effect for the period of the cost of service calculation." Northwest was required to file a new rate case for new rates to be effective January 1, 2018. FERC approved the settlement related to this required rate case filing in Docket RP17-346 on August 18, 2017. This rate case settlement contains a provision related to increases or decreases in the corporate federal income tax rate. As a result of the 2017 Tax Cuts and Jobs Act, Northwest is required to reserve approximately \$23.6 million per year until the end of

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

<sup>2</sup> *Northwest Pipeline Corp.*, 139 FERC ¶ 61,071 (2012).

the settlement term. The settlement requires Northwest to amortize back the accrued amount to its customers over a five-year period coincidental with rates going into effect for Northwest's next general rate case.

The cost of service related to this service agreement must be filed as part of Northwest's total cost of service in its rate case filing. The annual reduction in income taxes for Northwest's total cost of service of \$23.6 million includes the amount for lower taxes related to this service agreement. Since the amount Puget may claim as a result of the lower corporate federal income tax rate will be refunded as part of the accrual amortization, it ultimately has the effect of calculating this cost of service at a 21 percent federal corporate income tax rate.

Accordingly, for this annual cost of service true up calculation, the corporate federal income tax rate of 35 percent will continue to be used until the end of the settlement term.

The state income tax rate utilized is 5 percent. The taxable portion of the return is based on Northwest's estimate of the project's equity capital.

### **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 May Order.