



NORTHWEST PIPELINE LLC
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February 27, 2019

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

Re: Northwest Pipeline LLC
Docket No. RP19-___

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-Fourth Revised Sheet No. 14

By this filing, Northwest proposes the following fuel reimbursement factors (“Factor(s)”): (1) an increase from 1.61% to 1.64% in the Factor for Northwest's transportation services under Rate Schedules TF-1¹, TF-2, TI-1 and DEX-1; (2) an increase from 0.17% to 0.24% in the Factor for Northwest's underground storage services under Rate Schedules SGS-2F and SGS-2I; (3) an increase from 0.53% to 0.98% in the 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 fuel filing, Northwest is required to true-up the liquefaction charge for Rate Schedules LS-3F and LD-4I. Northwest proposes no change for 2019 to the estimated LS-3F and LD-4I liquefaction charges.

¹ 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, B, C, D and supporting work papers are included herein to show the data and formulas used to derive the proposed Factors.

Mainline Transportation (Calculations on Exhibit A)

Northwest proposes an increase from 1.61% to 1.64% for the Factor to be used during the upcoming April through September 2019 period for transportation services under Rate Schedules TF-1, TF-2, TI-1 and DEX-1. The proposed 1.64% Factor is designed to recover the anticipated fuel usage and L&U, and 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 0.17% to 0.24% for the Factor to be used during the upcoming April 2019 through March 2020 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 to change the 0.53% liquefaction Factor to 0.98% to be used during the upcoming April 2019 through March 2020 period for storage service at the Plymouth LNG facility under Rate Schedules LS-2F, LS-3F, LS-2I and LD-4I. Northwest utilized a historical two-year, instead of a three-year, average for projecting the liquefaction nominations because significantly larger than normal volumes were liquefied during 2016 to bring the Plymouth facility back into service due to an extended outage at the facility that started in March 2014.

Northwest proposes no change to the 0.53% vaporization Factor to be used during the upcoming April 2019 through March 2020 period for storage service at the Plymouth LNG facility under Rate Schedules LS-2F, LS-3F, and LS-2I due to the low usage of the facility over the past few years. Northwest has included the cumulative balances for fuel usage and L&U for informational purposes in calculating future Factors. Any under/over recoveries of vaporization fuel usage will

be tried up in next year's filing. Shippers holding storage capacity at the Plymouth LNG facility have agreed to this methodology for the upcoming period.²

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 2014.³ 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 2019 through March 2020 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, 2019, 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 workpapers

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.

² 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.

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

Ms. Kimberly D. Bose
February 27, 2019
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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

David J. Madsen

Director, Business Development & Regulatory Affairs

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. 6164 % |
| 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. 1724 % |
| Rate Schedules LS-2F, LS-3F and LS-2I Liquefaction | 0. 5398 % |
| Vaporization | 0.53% |
| Rate Schedule LD-4I Liquefaction | 0. 5398 % |

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.

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 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 | 1.64% |
| 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 | 0.24% |
| Rate Schedules LS-2F, LS-3F and LS-2I | |
| Liquefaction | 0.98% |
| Vaporization | 0.53% |
| Rate Schedule LD-4I | |
| Liquefaction | 0.98% |

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.

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.

Northwest Pipeline LLC

Derivation of Fuel Factors to be Effective April 1, 2019

(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 | 5,078,026 | (i) |
| 2 | 14.12(h) | Projected Evergreen Expansion incremental surcharge reimbursement | (34,057) | (vi) |
| 3 | 14.12(g) | Cumulative under-recovery of fuel as of Dec. 31, 2018 | 48,259 | (ii) |
| 4 | | Total projected fuel usage | 5,092,228 | |
| 5 | 14.12(b) | Average projected lost and unaccounted-for | 0 | (iii) |
| 6 | 14.12(g) | Cumulative under-recovery of L&U as of Dec. 31, 2018 | 662,461 | (iv) |
| 7 | | Total under-recovery projected lost and unaccounted-for gas | 662,461 | |
| 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 | 5,754,689 | |
| 10 | 14.12(d) | Projected transportation receipts | 350,197,259 | (v) |
| 11 | 14.12(e) | Factor (line 9 divided by line 10) | 1.64% | |

Notes to Page 1 of Exhibit A

| | Dth | |
|--|-----------|-----|
| (i) Fuel usage projected as follows: | | |
| Actual April - September 2018 fuel usage | 5,178,002 | |
| Actual April - September 2017 fuel usage | 4,803,150 | |
| Actual April - September 2016 fuel usage | 5,252,925 | |
| Average April - September fuel usage during last three seasons | 5,078,026 | |
| (ii) Fuel usage true-up adjustment calculated as follows: | | |
| Cumulative over-recovery of fuel as of Jun. 30, 2018 per true-up adj. in Oct. 1, 2018 filing | (895,803) | |
| Prior period(s) under-recovery of fuel adjustment | 48,582 | (1) |
| Actual July - December 2018 fuel usage | 5,400,200 | |
| Total before fuel reimbursements | 4,552,979 | |
| Actual July - December 2018 fuel reimbursements | | |
| General system reimbursements | 4,414,731 | |
| Evergreen Expansion incremental surcharge reimbursements | 89,989 | |
| Total Fuel Reimbursements | 4,504,720 | |
| Cumulative under-recovery of fuel as of Dec. 31, 2018 | 48,259 | |

(1) Northwest discovered errors in previous fuel filings that incorrectly included Plymouth lost gas adjustments in the mainline fuel recovery calculation

Northwest Pipeline LLC
Derivation of Fuel Factors to be Effective April 1, 2019
Exhibit A (continued)

Calculation for Rate Schedules TF-1, TF-2, TI-1, DEX-1

Notes to Page 1 of Exhibit A (continued)

| | Dth | |
|--|-------------|-----|
| (iii) Lost and unaccounted-for gas projected as follows: | | |
| Twelve months ended December 2018 actual lost and unaccounted-for | 232,360 | |
| Twelve months ended December 2017 actual lost and unaccounted-for | (986,328) | |
| Twelve months ended December 2016 actual lost and unaccounted-for | (582,249) | |
| Average twelve months lost and unaccounted-for gas during last three years | (445,406) | |
| Six month lost and unaccounted-for gas (twelve month average divided by 2) | (222,703) | |
| Out of period adjustments or other forecast adjustments | 222,703 | (1) |
| Average projected lost and unaccounted-for | 0 | |
| (iv) Lost and unaccounted-for gas true-up adjustment determined as follows: | | |
| Cumulative under-recovery of L&U as of Jun. 30, 2018 per true-up adj. in Oct. 1, 2018 filing | 584,351 | |
| Actual July - December 2018 lost and unaccounted-for | 11,057 | |
| Total under-recovery | 595,408 | |
| Less: reimbursements collected between July - Dec 2018 for lost and unaccounted-for gas | (67,053) | |
| Cumulative under-recovery of L&U as of Dec. 31, 2018 | 662,461 | |
| (v) Transportation receipt quantities projected as follows: | | |
| Actual April - September 2018 delivered transportation | 381,544,166 | |
| Actual April - September 2017 delivered transportation | 321,820,652 | |
| Actual April - September 2016 delivered transportation | 329,860,721 | |
| Average April - September delivered transportation during last three seasons | 344,408,513 | |
| Projected April - September 2019 delivered transportation | 344,408,513 | |
| Projected April - September 2019 fuel and lost and unaccounted-for gas receipts | 5,754,689 | |
| Projected Evergreen Expansion incremental surcharge reimbursement | 34,057 | |
| Projected transportation receipts | 350,197,259 | |
| (vi) Evergreen Expansion incremental surcharge reimbursement projected as follows: | | |
| Actual April - September 2018 delivered transportation | 8,543,621 | (2) |
| Actual April - September 2017 delivered transportation | 6,033,161 | |
| Actual April - September 2016 delivered transportation | 5,420,380 | |
| Average April - September delivered transportation during last three seasons | 6,665,721 | |
| Projected April - September 2019 delivered transportation | 6,665,721 | |
| Projected April - September 2019 fuel and lost and unaccounted-for gas receipts using a factor of 1.64% plus 0.50% incremental surcharge | 145,765.81 | |
| Projected April - September 2019 receipts for Evergreen Expansion shippers | 6,811,486 | |
| Evergreen Expansion incremental surcharge | 0.50% | |
| Projected Evergreen Expansion incremental surcharge reimbursement | 34,057 | |

- (1) The average projected L&U for the previous twelve months resulted in an actual loss. This adjustment removes the gain that is derived by averaging the three previous years in order to more accurately reflect expected activity for this fuel filing period.
- (2) Northwest's Evergreen 15 contracted services concluded September 30, 2018. For the purposes of this and future filings, Northwest will only include data pertaining to Evergreen 25 activity.

Northwest Pipeline LLC

Derivation of Fuel Factors to be Effective April 1, 2019

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 | 42,053 | (i) |
| 2 | 14.12(g) | Cumulative under-recovery of fuel as of Dec. 31, 2018 | 515 | (ii) |
| 3 | | Total projected fuel usage | 42,568 | |
| 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 | 42,568 | |
| 8 | 14.12(d) | Total projected nominated injections | 17,457,504 | (iii) |
| 9 | 14.12(f) | Factor (line 7 divided by line 8) | 0.24% | |

Notes to Exhibit B

(i) Fuel usage projected as follows:

| | Dth |
|--|--------|
| Actual 2018 fuel usage | 43,534 |
| Actual 2017 fuel usage | 38,804 |
| Actual 2016 fuel usage | 43,821 |
| Average projected fuel usage during last three years | 42,053 |

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

| | |
|--|----------|
| Cumulative over-recovery of fuel as of Dec. 31, 2017 per true-up adj. in Apr. 1, 2018 filing | (12,847) |
| Actual January - December 2018 fuel usage | 43,534 |
| Total before fuel reimbursements under-recovered | 30,687 |
| Less: reimbursements collected January - December 2018 | 30,172 |
| Cumulative under-recovery of fuel as of Dec. 31, 2018 | 515 |

(iii) Nominated injections projected as follows:

| | |
|--|------------|
| Actual 2018 nominated injections | 18,292,995 |
| Actual 2017 nominated injections | 16,563,203 |
| Actual 2016 nominated injections | 17,388,610 |
| Average nominated injections during last three years | 17,414,936 |
| Projected 2019 nominated injections | 17,414,936 |
| Projected 2019 fuel and lost and unaccounted-for gas under-recovered | 42,568 |
| Total projected nominated injections | 17,457,504 |

Northwest Pipeline LLC
Derivation of Fuel Factors to be Effective April 1, 2019

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(g) | Fuel usage true-up adjustment Exhibit C | 5,151 | (i) |
| 2 | 14.12(b) | Average projected lost and unaccounted-for gas | 126 | (ii) |
| 3 | 14.12(g) | Cumulative under-recovery of L&U as of Dec. 31, 2018 Exhibit C | 1,353 | (iii) |
| 4 | | Total projected lost and unaccounted-for gas under-recovered | 1,478 | |
| | | Total under-recovery as of Dec 31, 2018 | 6,629 | |
| 5 | 14.12(d) | Total projected liquefaction nominations | 678,909 | (iv) |
| 6 | 14.12(f) | Fuel Factor | 0.98% | |

Notes to Exhibit C

| | Dth |
|--|---------|
| (i) Fuel usage true-up balance calculated as follows: | |
| Cumulative under-recovery of fuel as of Dec. 31, 2017 per true-up adj. in April 1, 2018 filing | 1,480 |
| Actual January - December 2018 fuel usage | 4,700 |
| Total before fuel reimbursements under-recovery | 6,180 |
| Less: Actual January - December 2018 fuel reimbursements | 1,029 |
| Cumulative under-recovery of fuel as of Dec. 31, 2018 | 5,151 |
| (ii) Lost and unaccounted-for gas projected as follows: | |
| Twelve months ended Dec. 2018 actual lost and unaccounted-for | 166 |
| Twelve months ended Dec. 2017 actual lost and unaccounted-for | 49 |
| Twelve months ended Dec. 2016 actual lost and unaccounted-for | 163 |
| Average projected lost and unaccounted-for gas | 126 |
| (iii) Lost and unaccounted-for gas true-up balance calculated as follows: | |
| Cumulative under-recovery of L&U as of Dec. 31, 2017 per true-up adj. in Apr. 1, 2018 filing | 3,899 |
| Actual January - December 2018 lost and unaccounted-for | 166 |
| Total before lost and unaccounted-for reimbursements | 4,065 |
| Less: reimbursements collected between July - Dec. 2018 lost and unaccounted-for gas | 2,712 |
| Cumulative under-recovery of L&U as of Dec. 31, 2018 | 1,353 |
| (iv) Nominated injections projected as follows: | |
| 2018 Nominated Injections | 492,840 |
| 2017 Nominated Injections | 864,977 |
| Projected 2019 nominated injections averaging last two years | 678,909 |

Northwest Pipeline LLC

Derivation of Fuel Factors to be Effective April 1, 2019

Exhibit D

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

| <u>Line No.</u> | <u>Section No.</u> | <u>Description</u> | <u>Dth</u> | <u>Note No.</u> |
|---|--------------------|---|----------------|-----------------|
| 1 | 14.12(f) | Factor | <u>0.53%</u> | (1) |
| (i) Fuel usage true-up balance calculated as follows: | | | | |
| | | Cumulative over-recovery of fuel as of Dec. 31, 2017 per true-up adj. in April 1, 2018 filing | (3,692) | |
| | | Actual January - December 2018 Plymouth LNG fuel usage | <u>220</u> | |
| | | Total before fuel reimbursements over-recovery | (3,472) | |
| | | Less: reimbursements collected between January - December 2018 fuel | <u>-</u> | |
| | | Cumulative over-recovery of fuel as of Dec. 31, 2018 | <u>(3,472)</u> | (2) |
| (ii) Lost and unaccounted-for gas true-up balance calculated as follows: | | | | |
| | | Cumulative under-recovery of L&U as of Dec. 31, 2017 per true-up adj. in Apr. 1, 2018 filing | 243 | |
| | | Actual January - December 2018 lost and unaccounted-for | <u>166</u> | |
| | | Total before lost and unaccounted-for reimbursements | 409 | |
| | | Less: reimbursements collected between July - Dec. 2018 lost and unaccounted-for gas | <u>0</u> | |
| | | Cumulative under-recovery of L&U as of Dec. 31, 2018 | <u>409</u> | (2) |
| (1) Northwest proposes no change to the vaporization Factor due to low usage of the facility over the past two years. | | | | |
| (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 2018 Actuals Used to Derive Fuel Factors to be Effective April 1, 2019

(Dth)

| Month | Transportation | | | | | |
|--------|------------------|--------------------------|----------------------|---------------------|----------------------------|--------------------------|
| | Fuel Usage | Delivered Transportation | Lost and Unaccounted | Increase in Volumes | Reimbursements System-Wide | Reimbursements Surcharge |
| Jul-18 | 909,326 | 66,313,757 | (8,894) | 0 | 768,960 | 12,985 |
| Aug-18 | 1,019,995 | 64,897,831 | (8,227) | 0 | 777,982 | 23,848 |
| Sep-18 | 739,163 | 62,197,124 | (116,752) | 0 | 761,521 | 27,662 |
| | <u>2,668,484</u> | <u>193,408,712</u> | <u>(133,873)</u> | <u>0</u> | <u>2,308,463</u> | <u>64,495</u> |
| Oct-18 | 773,749 | 60,852,834 | 193,100 | 0 | 729,342 | 21,206 |
| Nov-18 | 913,464 | 69,017,308 | 83,537 | 0 | 613,898 | 4,272 |
| Dec-18 | 1,044,503 | 82,475,967 | (131,707) | 0 | 695,975 | 16 |
| | <u>2,731,716</u> | <u>212,346,109</u> | <u>144,930</u> | <u>0</u> | <u>2,039,215</u> | <u>25,494</u> |
| Total | <u>5,400,200</u> | <u>405,754,821</u> | <u>11,057</u> | <u>0</u> | <u>4,347,678</u> | <u>89,989</u> |

Reference:

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

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-18 | 3,073 | 974 | 643,430 | 399 | 284 | 53,290 | 0 | 22 | 0 | 0 |
| Feb-18 | 3,384 | 3,654 | 2,431,808 | 269 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mar-18 | 12,035 | 1,227 | 819,341 | 239 | 703 | 12,500 | 0 | 0 | 0 | 120,000 |
| Apr-18 | 4,166 | 1,448 | 959,471 | 196 | 0 | 0 | 2 | 81 | 0 | 0 |
| May-18 | 2,835 | 2,806 | 1,651,519 | 99 | 95 | 17,790 | 32 | 0 | 0 | 0 |
| Jun-18 | 2,021 | 4,814 | 2,818,721 | 27 | 0 | 0 | 0 | 0 | 0 | 0 |
| Jul-18 | 3,578 | 4,271 | 2,509,677 | 81 | 511 | 98,571 | 1 | 0 | 0 | 0 |
| Aug-18 | 2,057 | 2,539 | 1,500,628 | 15 | 1,179 | 224,039 | 0 | 0 | 0 | 0 |
| Sep-18 | 3,006 | 2,257 | 1,325,028 | 146 | 118 | 22,252 | 33 | 0 | 0 | 0 |
| Oct-18 | 3,402 | 1,959 | 1,147,216 | 1,349 | 278 | 52,174 | 0 | 0 | 0 | 0 |
| Nov-18 | 1,214 | 1,766 | 1,036,728 | 1,380 | 573 | 12,224 | 107 | 0 | 0 | 96,031 |
| Dec-18 | 2,763 | 2,457 | 1,449,428 | 500 | 0 | 0 | 156 | 117 | 0 | 0 |
| | <u>43,534</u> | <u>30,172</u> | <u>18,292,995</u> | <u>4,700</u> | <u>3,741</u> | <u>492,840</u> | <u>331</u> | <u>220</u> | <u>0</u> | <u>216,031</u> |

Reference:

| | | | | | |
|------------------------|------------------------|-------------------------|-----------------------|------------------------|------------------------------|
| Exhibit B Note (ii) | Exhibit B Note (ii) | Exhibit B Note (iii) | Exhibit C Note (i) | Exhibit C Note (iv) | Exh. C (50%) Exh. D (50%) |
|------------------------|------------------------|-------------------------|-----------------------|------------------------|------------------------------|

Northwest Pipeline LLC

Detail of 2018 Actuals Used to Derive Fuel Factors to be Effective April 1, 2019

(Dth)

Allocation of July - December 2018 Transportation Reimbursements

July - September 2018 reimbursements allocated between fuel usage and lost and unaccounted-for gas based on projections and true-ups included in the April 1, 2018 Factor calculation:

| | | |
|--|------------------|----------------|
| <u>Allocation of Projections and True-ups:</u> | | |
| Projected fuel usage | 4,296,934 | 108.62% |
| Projected lost and unaccounted-for gas | <u>(341,067)</u> | <u>-8.62%</u> |
| Total projections (includes true-ups) | <u>3,955,867</u> | <u>100.00%</u> |

| | | | |
|---|------------------|------------------|------------------|
| <u>Allocation of Reimbursements to:</u> | | | |
| | Lost and | | |
| | Fuel | Unaccounted | Total |
| Actual Reimbursements | | | <u>2,308,463</u> |
| Allocated percentage | <u>108.62%</u> | <u>-8.62%</u> | <u>100.00%</u> |
| Allocated reimbursements | <u>2,507,453</u> | <u>(198,990)</u> | <u>2,308,463</u> |

October - December 2018 reimbursements allocated between fuel usage and lost and unaccounted-for gas based on projections and true-ups included in the October 1, 2018 Factor calculation:

| | | |
|--|------------------|----------------|
| <u>Allocation of Projections and True-ups:</u> | | |
| Projected fuel usage | 3,951,551 | 93.53% |
| Projected lost and unaccounted-for gas | <u>273,529</u> | <u>6.47%</u> |
| Total projections (includes true-ups) | <u>4,225,080</u> | <u>100.00%</u> |

| | | | |
|---|------------------|----------------|------------------|
| <u>Allocation of Reimbursements to:</u> | | | |
| | Lost and | | |
| | Fuel | Unaccounted | Total |
| Actual Reimbursements | | | <u>2,039,215</u> |
| Allocated percentage | <u>93.53%</u> | <u>6.47%</u> | <u>100.00%</u> |
| Allocated reimbursements | <u>1,907,278</u> | <u>131,937</u> | <u>2,039,215</u> |

Total June - December 2018 Allocated Transportation Reimbursements

| | | | |
|---|------------------|------------------|------------------|
| <u>Allocation of Reimbursements to:</u> | | | |
| | Lost and | | |
| | Fuel | Unaccounted | Total |
| July - September 2018 | <u>2,507,453</u> | <u>(198,990)</u> | <u>2,308,463</u> |
| October - December 2018 | <u>1,907,278</u> | <u>131,937</u> | <u>2,039,215</u> |
| | <u>4,414,731</u> | <u>(67,053)</u> | <u>4,347,678</u> |

Reference:

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

Northwest Pipeline LLC

Detail of 2018 Actuals Used to Derive Fuel Factors to be Effective April 1, 2019

(Dth)

Allocation of January - December 2018 Liquefaction Reimbursements

January - December 2018 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, 2018 Factor calculation:

Allocation of Projections and True-ups:

| | | |
|--|---------------------|-----------------------|
| Projected fuel usage | 1,480 | 27.51% |
| Projected lost and unaccounted-for gas | <u>3,899</u> | <u>72.49%</u> |
| Total projections (includes true-ups) | <u><u>5,379</u></u> | <u><u>100.00%</u></u> |

Allocation of Reimbursements to:

| | <u>Fuel</u> | <u>Lost and Unaccounted</u> | <u>Total</u> |
|--------------------------|---------------------|-----------------------------|---------------------|
| Actual Reimbursements | | | 3,741 |
| Allocated percentage | <u>27.51%</u> | <u>72.49%</u> | <u>100.00%</u> |
| Allocated reimbursements | <u><u>1,029</u></u> | <u><u>2,712</u></u> | <u><u>3,741</u></u> |

Reference:

| | |
|-----------|------------|
| Exhibit C | Exhibit C |
| Page 1 | Page 1 |
| Note (i) | Note (iii) |

Northwest Pipeline LLC

Detail of 2016-2018 Actuals Used to Derive Fuel Factors to be Effective April 1, 2019

(Dth)

Monthly Detail of Historical Transportation Actuals Used to Derive Forecast

| Month | Transportation | | | Delivered Evergreen 25 Markets | (1) |
|-------------------|------------------|-----------------------------|-------------------------|--------------------------------------|-----|
| | Fuel Usage | Delivered Transportation | Lost and Unaccounted | | |
| Jan-18 | | | 96,310 | | |
| Feb-18 | | | (54,158) | | |
| Mar-18 | | | (31,132) | | |
| Apr-18 | 811,472 | 60,840,756 | 67,883 | 309,769 | |
| May-18 | 782,339 | 61,714,141 | 20,914 | 741,483 | |
| Jun-18 | 915,707 | 65,580,557 | 121,486 | 1,320,239 | |
| Jul-18 | 909,326 | 66,313,757 | (8,894) | 2,059,557 | |
| Aug-18 | 1,019,995 | 64,897,831 | (8,227) | 2,233,298 | |
| Sep-18 | 739,163 | 62,197,124 | (116,752) | 1,879,275 | |
| Oct-18 | | | 193,100 | | |
| Nov-18 | | | 83,537 | | |
| Dec-18 | | | (131,707) | | |
| | <u>5,178,002</u> | <u>381,544,166</u> | <u>232,360</u> | <u>8,543,621</u> | |
| Jan-17 | | | (196,146) | | |
| Feb-17 | | | (178,418) | | |
| Mar-17 | | | (108,297) | | |
| Apr-17 | 892,826 | 57,591,582 | (106,941) | 772,993 | |
| May-17 | 797,889 | 58,115,025 | (47,927) | 800,491 | |
| Jun-17 | 859,224 | 49,640,790 | (79,259) | 407,614 | |
| Jul-17 | 798,327 | 55,727,592 | (26,549) | 1,136,400 | |
| Aug-17 | 845,320 | 52,258,500 | 107,852 | 1,911,360 | |
| Sep-17 | 609,564 | 48,487,163 | (85,857) | 1,004,303 | |
| Oct-17 | | | (57,814) | | |
| Nov-17 | | | (13,950) | | |
| Dec-17 | | | (193,022) | | |
| | <u>4,803,150</u> | <u>321,820,652</u> | <u>(986,328)</u> | <u>6,033,161</u> | |
| Jan-16 | | | (37,846) | | |
| Feb-16 | | | (231,442) | | |
| Mar-16 | | | (122,433) | | |
| Apr-16 | 818,200 | 56,181,564 | 43,323 | 381,274 | |
| May-16 | 866,856 | 57,246,315 | (31,257) | 567,250 | |
| Jun-16 | 905,487 | 54,542,164 | (15,553) | 966,679 | |
| Jul-16 | 827,354 | 58,889,999 | (201,915) | 603,708 | |
| Aug-16 | 974,119 | 54,223,449 | (61,843) | 1,078,029 | |
| Sep-16 | 860,909 | 48,777,230 | 68,927 | 1,823,440 | |
| 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>5,420,380</u> | |
| Reference: | | | | | |
| | Exhibit A | Exhibit A | | Exhibit A | |
| | Page 1 | Page 2 | | Page 2 | |
| | Note (i) | Note (v) | | Note (vi) | |

(1) Northwest's Evergreen 15 contracted services concluded September 30, 2018. For the purposes of this and future filings, Northwest will only include data pertaining to Evergreen 25 activity.



NORTHWEST PIPELINE LLC
P.O. Box 58900
Salt Lake City, UT 84158-0900
Phone: (801) 584-6864
FAX: (801) 584-7764

February 27, 2019

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

Re: Northwest Pipeline LLC
Docket No. RP19-_____

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”):

Thirteenth 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. CP12-471.¹

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, 2019, 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.

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.

Ms. Kimberly D. Bose
February 27, 2019
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:

David J. Madsen
Director, Business Development and
Regulatory Affairs
(801) 584-6864
Northwest Pipeline LLC
P.O. Box 58900
Salt Lake City, Utah 84158-0900
dave.madsen@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

David J. Madsen
Director, Business Development &
Regulatory Affairs

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 ~~\$3,207,4313,097,543~~ and is billed in equal monthly one-twelfth increments. The daily incremental facility charge is ~~\$0.137520.13281~~ 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.

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 \$3,097,543 and is billed in equal monthly one-twelfth increments. The daily incremental facility charge is \$0.13281 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

NORTHWEST PIPELINE LLC
South Seattle Lateral Facilities
2019 Cost of Service Forecast
Summary

| | |
|--|--------------------|
| Operation and Maintenance Expense | \$119,680 |
| Depreciation Expense | \$1,423,956 |
| Taxes Other Than Income Taxes | \$161,334 |
| State Income Tax | \$42,194 |
| Federal Income Taxes | \$373,857 |
| Return | \$976,522 |
| | <hr/> |
| Total Cost of Service | \$3,097,543 |
| | <hr/> <hr/> |

Capacity Release Rate Development:

| | |
|--|--------------------|
| Cost of Service | \$3,097,543 |
| Annual Billing Determinants (Dth) | 23,323,500 |
| Capacity Release Rate (Dth/d) | \$0.13281 |

(See Workpaper Assumptions)

NORTHWEST PIPELINE LLC
South Seattle Lateral Facilities
2019 Cost of Service Forecast
Operation and Maintenance Expenses

| | |
|--|--------------------------------|
| Operation and Maintenance Expenses | \$61,394 |
| Administrative and General Expenses | <u>\$58,286</u> |
| Total Operation and Maintenance Expense | <u><u>\$119,680</u></u> |

(See Workpaper Assumptions)

NORTHWEST PIPELINE LLC

South Seattle Lateral Facilities

2019 Cost of Service Forecast

Depreciation Expense and Taxes Other Than Income Taxes

Depreciation Expense **\$1,423,956**

Taxes Other Than Income Taxes:

Ad Valorem Tax **\$158,937**

Payroll Taxes **\$1,949**

Franchise and Sundry Taxes **\$448**

Total Taxes Other Than Income Taxes **\$161,334**

(See Workpaper Assumptions)

NORTHWEST PIPELINE LLC
South Seattle Lateral Facilities
2019 Cost of Service Forecast
Federal and State Income Taxes

| | |
|---|--------------------------------|
| Taxable Portion of Return | \$694,307 |
| State Taxable Income (Grossed-up for Taxes \div(1-.3747)) | \$1,110,358 |
| State Income Tax Rate | <u>3.80%</u> |
| State Income Tax at 3.80% | <u><u>\$42,194</u></u> |
| Federal Taxable Income | \$1,068,164 |
| Federal Income Tax Rate | <u>35.00%</u> |
| Federal Income Tax | <u><u>\$373,857</u></u> |

(See Workpaper Assumptions)

NORTHWEST PIPELINE LLC
South Seattle Lateral Facilities
2019 Cost of Service Forecast
Rate Base and Return

Average Rate Base:

| | |
|--|--------------------------------|
| Gas Plant in Service | \$20,456,975 |
| Accumulated Depreciation | <u>(\$7,980,539)</u> |
| Net Plant | \$12,476,436 |
| | |
| Accumulated Deferred Income Taxes | (\$2,714,823) |
| Working Capital | <u>\$3,605</u> |
| Total Average Rate Base | \$9,765,218 |
| | |
| Weighted Overall Cost of Capital per Facilities Agreement | <u>10.00%</u> |
| | |
| Return | <u><u>\$976,522</u></u> |

(See Workpaper Assumptions)

NORTHWEST PIPELINE LLC
South Seattle Lateral Facilities
2019 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 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. RP12-490.²

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

Depreciation Expense

Direct depreciation expense for the gross direct 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

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

² *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.

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 3.8 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.