

#### **NORTHWEST PIPELINE LLC**

295 Chipeta Way (84108) P.O. Box 58900 Salt Lake City, UT 84158-0900 Phone: (801) 584-7200 FAX: (801) 584-7764

March [], 2017

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

**Re:** Northwest Pipeline LLC

Docket Nos. RP12-490-000, *et al.* RP17-\_\_\_-000
Extension of Time Tariff Provision

Dear Ms. Bose:

Northwest Pipeline LLC ("Northwest") hereby submits for filing with the Federal Energy Regulatory Commission ("Commission") pursuant to section 4 of the Natural Gas Act ("NGA"),¹ and Part 154 of the Commission's Regulations,² the following revised tariff records adding a new Section 27 to the General Terms and Conditions of Northwest's FERC Gas Tariff, Fifth Revised Volume No. 1 ("Tariff"):

Seventh Revised Sheet No. 200 Fourth Revised Sheet No. 282 Fourth Revised Sheet No. 281

The revised tariff records extend the time by which Northwest must file an NGA section 4 general rate case and make other changes to preserve and implement rate reductions agreed to by Northwest and its shippers in a pre-filing settlement pending before the Commission in Docket No. RP17-346-000. Northwest requests an effective date of \_\_\_\_\_\_\_\_, 2017 for the revised tariff records. Northwest has consulted with its customers and believes that this filing will be uncontested.

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

The revised tariff records extend the time for Northwest to file an NGA section 4 general rate case and otherwise amend: (1) the March 15, 2012 settlement in Docket No. RP12-490-000, approved, *Northwest Pipeline GP*, 139 F.E.R.C. ¶ 61,071 (2012) ("2012 Settlement"); and (2)

<sup>&</sup>lt;sup>1</sup> 15 U.S.C. § 717c (2012).

<sup>&</sup>lt;sup>2</sup> 18 C.F.R. Part 154 (2016).

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the January 23, 2017 settlement pending Commission approval pursuant to the "Petition of Northwest Pipeline LLC for Approval of Settlement," in Docket Nos. RP17-346-000 *et al.* ("2017 Settlement"). The changes are necessary to preserve rate reductions agreed to in the 2017 Settlement and accommodate the delay in Commission action on the 2017 Settlement due to a lack of a quorum.

Section 14.4 of the 2012 Settlement requires Northwest to make an NGA section 4 general rate case filing not later than July 1, 2017, unless Northwest has previously entered into a pre-filing settlement that has been approved by the Commission. The 2017 Settlement is such a pre-filing settlement between Northwest and its customers. The 2017 Settlement is uncontested. Of Northwest's long-term firm transportation and storage capacity, 92 percent support, 8 percent do not oppose the 2017 Settlement, and 100 percent of the shippers who actively participated in settlement discussions support the 2017 Settlement. Consistent with the 2012 Settlement rate case filing requirement, the 2017 Settlement also contains a requirement that Northwest file an NGA section 4 general rate case by July 1, 2017, if the Commission has not approved the 2017 Settlement by June 30, 2017.

Three days after Northwest filed its 2017 Settlement, Norman Bay, Commission Chair, announced his resignation, which left the Commission without a quorum beginning on February 4, 2017. Due to the lack of a quorum, no action has been taken by the Commission to approve the uncontested Settlement, and Northwest has been advised that Commission staff lacks the authority to approve the Settlement pursuant to the *Order Delegating Further Authority to Staff in Absence of Quorum*, 158 F.E.R.C. ¶ 61,135 (2017).

Therefore, Northwest is filing revised tariff records to extend the deadline for filing an NGA section 4 rate case pending Commission action on the 2017 Settlement, and to preserve the benefits of the 2017 Settlement for Northwest and its shippers, including the implementation of rate reductions commencing January 1, 2018, as further described below.

# Amendment to 2012 Settlement - Extension of Deadline for Filing NGA Section 4 Rate Case

The revised tariff records extend Northwest's deadline in the 2012 Settlement to file an NGA section 4 general rate case from July 1, 2017, until one-hundred and twenty (120) days following a final Commission order on the 2017 Settlement. The requirement to file an NGA section 4 general rate case will be satisfied upon a final Commission order approving the 2017 Settlement. It is hoped that this extension of time will permit a quorum to be established at the Commission so that the Commission can act on the 2017 Settlement.

Extension of the deadline prevents the unintended result of requiring Northwest to file an NGA section 4 general rate case despite a timely pre-filing rate settlement having already been reached and submitted to the Commission for approval. This unintended result of an unnecessary rate case filing would not be in the public interest and would be contrary to the express intent of the Commission's 2012 Order and the Commission's longstanding policy favoring settlements.<sup>3</sup>

<sup>&</sup>lt;sup>3</sup> See Pa. Gas & Water Co. v. FPC, 463 F.2d 1242, 150 U.S. App. D.C. 151 (D.C. Cir.

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## Amendments to 2017 Settlement – Preservation of Agreed-upon Rate Reductions

The 2017 Settlement, similar to the 2012 Settlement, contains a requirement that Northwest file an NGA section 4 rate case by June 30, 2017, if the approval process for the 2017 Settlement is not complete before that date. The revised tariff records amend Article X and sections 14.1 and 14.2 of the 2017 Settlement to extend Northwest's rate case filing requirement as to any Contesting Parties,<sup>4</sup> and modify the filing requirement as to Settling Parties in order to preserve the agreed-upon rate reductions. Specifically, section 14.1 states that if the approval process for the 2017 Settlement is not complete before November 28, 2017, Northwest will satisfy its rate filing requirement by filing with the Commission by no later than December 1, 2017, tariff records placing into effect the rate reductions agreed to in Article VIII of the 2017 Settlement. Section 14.2 provides that Northwest will issue refunds if necessary to preserve the settlement rate reductions effective January 1, 2018.

Northwest has consulted with its customers and believes that this filing will be uncontested. Northwest and its customers have spent considerable time and effort negotiating the 2017 Settlement to avoid participation in a litigated rate proceeding. Therefore, Northwest respectfully requests that the Commission approve the proposed tariff records.

# Waiver Requests and Effective Date

Northwest requests that the Commission grant any waivers it may deem necessary for the acceptance of this filing. Northwest requests an effective date of \_\_\_\_\_\_\_, 2017, for the proposed tariff records included in this filing.

## **Procedural Matters**

Pursuant to the applicable provisions in Section 154 of the Commission's regulations, Northwest submits an eTariff.xml filing package that contains the following items:

- proposed tariff records;
- marked tariff records; and
- transmittal letter.

## Service and Communications

In compliance with 18 C.F.R. § 154.7(b), Northwest certifies that copies of this filing have been served electronically upon Northwest's customers and upon interested state regulatory

<sup>1972);</sup> *United Mun. Distrib. Group v. FERC*, 732 F.2d 202, 209, 235 U.S. App. D.C. 316 (D.C. Cir. 1969); *Columbia Gas Transmission Corp.*, 88 F.E.R.C. ¶ 61,161, at 61,544 (1999) ("It is the Commission's policy to favor resolution by settlement, and settlements of rate proceedings, in particular, are to be encouraged.").

 $<sup>^4</sup>$  The 2017 settlement is uncontested and Northwest does not anticipate that there will be any Contesting Parties pursuant to Article X.

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commissions, as well as all persons on the service lists compiled by the Secretary for Docket Nos. RP12-490-000, *et al.* All communications regarding this filing should be served by e-mail to:

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

Bruce 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 electronic versions of the submitted tariff records 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 & Tariffs

**Enclosures** 

## GENERAL TERMS AND CONDITIONS

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#### RESERVED FOR FUTURE GENERAL TERMS AND CONDITIONS (Continued)

#### 27. EXTENSION OF TIME PROVISIONS

This tariff provision amends: (1) the March 15, 2012 settlement in Docket No. RP12-490-000, approved, Northwest Pipeline GP, 139 F.E.R.C. ¶ 61,071 (2012) ("2012 Settlement"); and (2) the January 23, 2017 settlement pending Commission approval pursuant to the "Petition of Northwest Pipeline LLC for Approval of Settlement," in Docket Nos. RP17-346-000 et al. ("2017 Settlement"), in order to accommodate the delay in Commission action on the 2017 Settlement due to a lack of a quorum. Except as amended by this tariff record, the 2012 Settlement and 2017 Settlement remain unchanged, except that the 2017 Settlement as filed in Docket Nos. RP17-346-000 et al. will be conformed to reflect the amendments in this tariff record.

#### (a) Amendment to 2012 Settlement

The date by which Transporter must file an NGA section 4 general rate case pursuant to section 14.4 of the 2012 settlement is extended to one-hundred and twenty (120) days after a final Commission order addressing the 2017 Settlement. The requirement to file an NGA section 4 general rate case will be satisfied upon a final Commission order approving the 2017 Settlement.

(b) Amendments to 2017 Settlement

The 2017 Settlement is amended as follows:

- 1. Pursuant to Article X, the date by which Northwest must file an NGA section 4 general rate case as to any Contesting Party excluded from the Settlement pursuant to Article X is extended to one-hundred and twenty (120) days after a final Commission order addressing the 2017 Settlement.
- 2. Section 14.1 of the 2017 Settlement shall be deleted in its entirety and replaced with the following:

If the Settlement approval process is not completed before November 28, 2017, then Northwest will file with the Commission by no later than December 1, 2017, tariff records placing the Phase 1 Rates into effect January 1, 2018, and another filing by no later than August 31, 2018, placing the Phase 2 Rates into effect October 1, 2018, in accordance with Articles III and VIII of this Settlement. Such filing(s) shall constitute full satisfaction of the 2017 Rate Filing Requirement. 1

<sup>1</sup> Completion of the Settlement approval process means a Final Order by the Commission from which: (a) Northwest has no remaining right to withdraw pursuant to Sections 11.3 or 11.5 (if applicable) and (b) no other Settling Party has a remaining right to cease its participation pursuant to Section 11.4 (if applicable).

# RESERVED FOR FUTURE USE GENERAL TERMS AND CONDITIONS (Continued)

#### 27. EXTENSION OF TIME PROVISIONS (Continued)

3. Section 14.2 of the 2017 Settlement shall be deleted in its entirety and replaced with the following:

If the Settlement approval process is completed by January 1, 2018, then no refund or surcharge will be due any Settling Party. If the Settlement approval process is completed after January 1, 2018, or if tariff records implementing the Settlement Rates are not made effective January 1, 2018, then Northwest will continue charging its currently effective rates pursuant to the 2012 Settlement until the effectiveness of the new rates pursuant to the Commission's Final Order addressing the Settlement. Within sixty (60) days following such Final Order, Northwest will provide refunds, with interest at the Commission approved rate, to place the Settling Parties in the same position as if the Settlement approval process had been completed by January 1, 2018.

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#### GENERAL TERMS AND CONDITIONS (Continued)

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#### GENERAL TERMS AND CONDITIONS (Continued)

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  - 3. Section 14.2 of the 2017 Settlement shall be deleted in its entirety and replaced with the following:

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