



December 6, 2018

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

Tuscarora Gas Transmission Company
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Houston, TX 77002

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Re: Tuscarora Gas Transmission Company
Limited Section 4 Income Tax Rate Reduction Filing
Docket No. RP19-____-000

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act, 15 U.S.C. § 717c, Section 154.404 of the regulations of the Federal Energy Regulatory Commission (“FERC” or “Commission”), 18 C.F.R. § 154.404 (2018), and the Final Rule issued by the Commission in Docket No. RM18-11-000 on July 18, 2018,¹ Tuscarora Gas Transmission Company (“Tuscarora”) submits for filing the tariff sections included as Appendix A-1. This tariff filing is being submitted to reduce Tuscarora’s tariff rates to reflect the percentage cost-of-service reduction indicated in Tuscarora’s one-time informational report, its adjusted Form No. 501-G (“Adjusted 501-G”) that is being filed contemporaneously herewith. Tuscarora respectfully requests that the Commission accept the tariff sections included as Appendix A-1 to become effective February 1, 2019.

Correspondence

The names, titles, mailing addresses, and telephone numbers of those persons to whom correspondence and communications concerning this filing should be addressed are as follows:

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¹ *Interstate and Intrastate Natural Gas Pipelines; Rate Changes Relating to Federal Income Tax Rate*, Order No. 849, 83 Fed. Reg. 36,672 (Jul. 30, 2018) (“Final Rule”).

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Statement of Nature, Reasons and Basis for Proposed Changes

In the Final Rule, the Commission identified four options for each interstate natural gas pipeline in connection with the filing of Form No. 501-G. As Tuscarora stated in the transmittal letter to its Form No. 501-G, it has elected Option 1 and is thus filing a limited Section 4 rate filing to implement the rate reduction shown on its Adjusted 501-G.

The tariff sheets included as Appendix A-1 hereto reflect reduced rates based upon the 1.7 percent cost-of-service reduction indicated by Tuscarora's Adjusted 501-G. Specifically, as required by section 154.404(c) of the Commission's regulations,² Tuscarora has reduced its reservation rates for firm service, and its one-part rates that reflect fixed costs, by 1.7 percent.³ The calculations upon which the 1.7 percent reduction is based are shown in Tuscarora's Adjusted 501-G. Tuscarora further notes that Tuscarora was 100 percent MLP-owned in 2017, and therefore this limited section 4 filing eliminates Tuscarora's income tax allowance and associated accumulated deferred income taxes from its rates and general ledger, consistent with Commission policy.⁴

Motion to Place Tariff Sections into Effect

Tuscarora respectfully requests that the proposed tariff sections included as Appendix A-1 be accepted without addition, modification or deletion and become effective on February 1, 2019. Apart from the foregoing, Tuscarora reserves its right under Section 154.7(a) to file a motion to place the proposed revised tariff sections into effect at the end of any suspension period ordered by the Commission.

² 18 C.F.R. § 154.404(c). *See also* Final Rule at P 202.

³ The rate schedules affected by this reduction are: FT, LFS, and IT.

⁴ *See Inquiry Regarding the Commission's Policy for Recovery of Income Tax Costs*, Revised Policy Statement on Treatment of Income Taxes, 162 FERC ¶ 61,227 (2018), *order on reh'g*, 164 FERC ¶ 61,030 (2018).

Other Filings Which May Affect this Proceeding

There are no other filings before the Commission that may significantly affect the changes proposed herein.

Materials Enclosed

In accordance with Section 154.7(a)(1) of the Commission’s regulations, Tuscarora is submitting the following XML filing package, which includes:

- 1) This transmittal letter;
- 2) The clean tariff sections (Appendix A-1); and
- 3) A marked version of the tariff sections (Appendix A-2).

Certificate of Service

As required by Section 154.7(b) and 154.208 of the Commission’s regulations, copies of this filing are being served on all of Tuscarora’s existing customers and upon interested state regulatory agencies. A copy of this letter, together with attachments, is available during regular business hours for public inspection at Tuscarora’s principal place of business.

Pursuant to Section 385.2005 and Section 385.2011(c)(5), the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best of his knowledge and belief. The undersigned possesses full power and authority to sign such filing.

Any questions regarding this filing may be directed to David Brown at (832) 320-5512.

Respectfully submitted,



John A. Roscher
Director, Rates & Tariffs

Enclosures

Appendix A-1

Tuscarora Gas Transmission Company - FERC Gas Tariff, Second Revised Volume No. 1

Clean Tariff

Tariff Section

Version

4.1 – Statement of Rates, FT and LFS Rates

v. 8.0.0

4.3 – Statement of Rates, IT Rates

v. 9.0.0

RATE SCHEDULES FT and LFS
CURRENTLY EFFECTIVE RATES 1/

Reservation Charge	(Maximum)	\$ 8.2194
	(Minimum)	\$ 0.0000
Delivery Charge	(Maximum)	\$ 0.0031
	(Minimum)	\$ 0.0031
Authorized Overrun Charge	(Maximum)	\$ 0.2733
	(Minimum)	\$ 0.0031
Annual Charge Adjustment		2/
Measurement Variance Gas Factor	(Maximum)	2.0%
	(Minimum)	(2.0%)
Volumetric Reservation Charge for Capacity Release		\$ 0.2733 3/

- 1/ For scheduling, imbalance and unauthorized overrun charges see General Terms and Conditions, Section 6.6. Maximum and minimum rates are applicable to backhaul service.
- 2/ The Annual Charge Adjustment (ACA) is in addition to the above Delivery Charge and the Authorized Overrun Charge. The currently effective ACA unit charge as published on the Commission's website (www.ferc.gov) is incorporated herein by reference.
- 3/ The Maximum Rate does not apply to capacity release transactions of one (1) year or less.

IT RATE SCHEDULE
CURRENTLY EFFECTIVE RATES 1/

Delivery Charge (Maximum)	\$ 0.2733
(Minimum)	\$ 0.0031
Annual Charge Adjustment	2/
Measurement Variance Gas Factor (Maximum)	2.0%
(Minimum)	(2.0%)

- 1/ For scheduling and imbalance charges see General Terms and Conditions, Section 6.6. Maximum and minimum rates are applicable to backhaul service.
- 2/ The Annual Charge Adjustment (ACA) is in addition to the above Delivery Charge. The currently effective ACA unit charge as published on the Commission's website (www.ferc.gov) is incorporated herein by reference.

Appendix A-2

Tuscarora Gas Transmission Company - FERC Gas Tariff, Second Revised Volume No. 1

Marked Tariff

Tariff Section

Version

4.1 – Statement of Rates, FT and LFS Rates

v. 8.0.0

4.3 – Statement of Rates, IT Rates

v. 9.0.0

RATE SCHEDULES FT and LFS
 CURRENTLY EFFECTIVE RATES 1/

	Reservation Charge	(Maximum)	\$ 8.3615 <u>8.2194</u>
		(Minimum)	\$ 0.0000
	Delivery Charge	(Maximum)	\$ 0.0031
		(Minimum)	\$ 0.0031
	Authorized Overrun Charge	(Maximum)	\$ 0.2780 <u>0.2733</u>
		(Minimum)	\$ 0.0031
	Annual Charge Adjustment		2/
	Measurement Variance Gas Factor	(Maximum)	2.0%
		(Minimum)	(2.0%)
	Volumetric Reservation Charge for Capacity Release		\$ 0.2780 <u>0.2733</u> 3/

- 1/ For scheduling, imbalance and unauthorized overrun charges see General Terms and Conditions, Section 6.6. Maximum and minimum rates are applicable to backhaul service.
- 2/ The Annual Charge Adjustment (ACA) is in addition to the above Delivery Charge and the Authorized Overrun Charge. The currently effective ACA unit charge as published on the Commission's website (www.ferc.gov) is incorporated herein by reference.
- 3/ The Maximum Rate does not apply to capacity release transactions of one (1) year or less.

IT RATE SCHEDULE
CURRENTLY EFFECTIVE RATES 1/

Delivery Charge (Maximum)	\$ 0.2780 <u>0.2733</u>
(Minimum)	\$ 0.0031
Annual Charge Adjustment	2/
Measurement Variance Gas Factor (Maximum)	2.0%
(Minimum)	(2.0%)

- 1/ For scheduling and imbalance charges see General Terms and Conditions, Section 6.6. Maximum and minimum rates are applicable to backhaul service.
- 2/ The Annual Charge Adjustment (ACA) is in addition to the above Delivery Charge. The currently effective ACA unit charge as published on the Commission's website (www.ferc.gov) is incorporated herein by reference.