



NORTHWEST PIPELINE LLC

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P.O. Box 1396

Houston, Texas 77251-1396

713-215-2000

February 28, 2025

Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Attention: Debbie-Anne A. Reese, Secretary

Re: Northwest Pipeline LLC
Annual Modernization and Emissions Reduction Program Cost
Recovery Mechanism
Docket No. RP25-____

Dear Ms. Reese:

Pursuant to Section 4 of the Natural Gas Act, Part 154 of the Federal Energy Regulatory Commission's ("Commission") regulations thereunder, and Section 30 of the General Terms and Conditions ("GT&C") of its FERC Gas Tariff, Fifth Revised Volume No. 1 ("Tariff"), Northwest Pipeline LLC ("Northwest") hereby tenders for filing and acceptance the revised tariff record listed below to become effective on April 1, 2025, as more fully described herein.

Twenty First Revised Sheet No. 5-B

Statement of Nature, Reasons, and Basis

On August 26, 2022, Northwest filed an unopposed Stipulation and Agreement of Settlement in Docket No. RP22-1155, among other things, establishing a Modernization and Emissions Reduction Program Cost Recovery Mechanism ("CRM") for the modernization of facilities on Northwest's system. The uncontested Settlement was approved by the Commission's Order Approving Settlement dated November 15, 2022.¹

Pursuant to Section 30.2(a) of the GT&C of Northwest's Tariff, Northwest is submitting its first CRM surcharge filing with the Commission, to be effective April 1, 2025, to recover the revenue requirement for all Eligible Facilities placed into service between January 1, 2023 and October 31, 2024.

Pursuant to Section 30.4 of the GT&C, Exhibit A, submitted herewith, demonstrates the CRM surcharge calculation. The CRM surcharge established by this filing is \$0.02256, effective April 1, 2025 through March 31, 2026.

¹ *Northwest Pipeline, LLC*, 181 FERC ¶ 61,118, (2022) ("Order Approving Settlement").

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.

Proposed Effective Date and Waiver Request

Northwest requests that the proposed tariff record submitted herein be made effective April 1, 2025. In accordance with the provisions of Section 154.7(a)(9) of the Commission's regulations, in the event the Commission elects to accept and suspend the tariff record for a minimal period, Northwest moves to place such tariff record into effect at the end of the applicable suspension period.

Materials Submitted Herewith

Pursuant to Section 154.7(a)(1) of the Commission's regulations, the following material is submitted herewith:

An eTariff XML filing package, filed as a zip (compressed) file, containing:

- (1) The tariff record in RTF format with metadata attached;
- (2) A transmittal letter in PDF format;
- (3) A clean version of the tariff record in PDF format for publishing in eLibrary;
- (4) A marked version of the tariff record in accordance with Section 154.201(a) of the regulations;
- (5) Exhibit A and supporting workpapers in PDF format which contains the Modernization and Emissions Reduction Program CRM surcharge calculation.
- (6) A copy of the complete filing in PDF format for publishing in eLibrary.

Posting and Certification of Service

In accordance with the provisions of Section 154.2(d) of the regulations, copies of this filing are available for public inspection, during regular business hours, in a convenient form and place at Northwest's main office at 2800 Post Oak Boulevard in Houston, Texas. In addition, 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 her knowledge and belief and she possesses full power and authority to sign this filing.

Respectfully submitted,

NORTHWEST PIPELINE LLC



Bela Patel
Director, Rates & Regulatory

Enclosures

DRAFT

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 Nos. 140053 and 143077 are subject to an annual incremental facility charge pursuant to Section 21 of the General Terms and Conditions. The effective annual incremental facility charge for the South Seattle Delivery Lateral Expansion Project is \$2,010,887, and it is billed in equal monthly one-twelfth increments with a daily incremental facility charge of \$0.08622 per Dth. The effective annual incremental facility charge for the North Seattle Lateral Upgrade Project is \$9,512,719, and it is billed in equal monthly one-twelfth increments with a daily incremental facility charge of \$0.15082 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 of \$0.10646.

In addition to the reservation rates shown on Sheet No. 5, Shippers who contract service under Rate Schedules TF-1 (Large Customer), TF-1 25-Year Evergreen, and TF-2 are subject to a Modernization and Emissions Program Cost Recovery Mechanism (CRM) Surcharge pursuant to Section 30 of this Tariff. CRM Surcharge is currently \$0.02256.

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.

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In addition to the reservation rates shown on Sheet No. 5, Shippers who contract service under Rate Schedules TF-1 (Large Customer), TF-1 25-Year Evergreen, and TF-2 are subject to a Modernization and Emissions Program Cost Recovery Mechanism (CRM) Surcharge pursuant to Section 30 of this Tariff. CRM Surcharge is currently \$0.~~00000~~02256.

Northwest Pipeline LLC
MERP CRM Surcharge Calculation
For the Period Ending October 31, 2024

| Line No. | Description (A) | Tariff Reference (B) | Reference (C) | Total (D) \$ |
|----------|-----------------------------------------|-------------------------|-------------------|--------------------|
| 1 | O&M Savings | Section 30.4 (a) (3) | | (705,429) |
| 2 | Depreciation Expense | Section 30.4 (a) (2) | Exhibit A, Page 2 | 4,067,966 |
| 3 | Rate Base Multiplier | Section 30.4 (a) (1) | | 18,682,651 |
| 4 | Under / (Over) Recovery from Prior Year | Section 30.2 (b) | | 0 |
| 5 | Total Revenue Requirement | | | <u>22,045,188</u> |
| | Rate Base | | | |
| 6 | Gas Plant In-Service | Section 30.4 | Exhibit A, Page 2 | 162,718,631 |
| 7 | Accumulated Provision for Depreciation | Section 30.4 (a) | Exhibit A, Page 3 | (206,250) |
| 8 | Net Utility Plant | | | <u>162,512,381</u> |
| 9 | Accumulated Deferred Income Taxes | Section 30.4 (a) | Exhibit A, Page 4 | (54,545) |
| 10 | Total Rate Base | | | <u>162,457,836</u> |
| 11 | Rate Base Multiplier Percentage | Section 30.4 (a) (1) | | 11.50% |
| 12 | Rate Base Multiplier Amount | | | <u>18,682,651</u> |
| | Surcharge Calculation | | | |
| 13 | Total Revenue Requirement | | | 22,045,188 |
| 14 | Billing Determinants | Section 30.4 (b) | Exhibit A, Page 5 | 977,226,869 |
| 15 | Surcharge | | | <u>0.02256</u> |

Northwest Pipeline LLC
MERP CRM Surcharge Calculation
For the Period Ending October 31, 2024

| Line No. | Description (A) | Reference (B) | Spending Limit (C) | Total (D) \$ |
|-------------------------------|----------------------------------------------------------------------|----------------------------------------------------------|-----------------------|--------------------|
| Turbine Exchanges | | | | |
| 1 | Pegram #1 | 2023 | | 9,021,231 |
| 2 | Lava #1 | 2023 | | 9,670,040 |
| 3 | 2023 Total | Section 30.3 (e) | 9,000,000 | 18,691,271 |
| 4 | Pleasant View #1 & #2 Upgrades | 2024 | | 8,251,595 |
| 5 | Meacham #1 & #2 Upgrades | 2024 | | 9,713,635 |
| Horsepower Replacement | | | | |
| 6 | Green River HP Replacement-1 | 2024 | | 79,745,953 |
| 7 | Sumas HP Replacement-1 | 2024 | | 56,007,448 |
| 8 | 2024 Total | | 156,500,000 | 153,718,631 |
| 9 | Less: Retirements related to horsepower replacement projects | Section 30.4 (a) (2) | | |
| 10 | Less: Amounts in excess of annual spending limit | Section 30.3 (e) & Col. C, Line 3 - Col. D, Line 3 | | (9,691,271) |
| 11 | Depreciable Base | | | 162,718,631 |
| 12 | Retirements related to horsepower replacement projects | Section 30.4 (a) (2) | | 0 |
| 13 | Less: Capital below the \$75 million maintenance capital requirement | Section 30.3 (f) & Work Paper Page 1 | | 0 |
| 14 | Total Gross Plant to Apply Rate Base Multiplier | | | 162,718,631 |
| Depreciation Expense | | | | |
| 15 | Depreciation Rate | Section 30.4 (a) (2) | | 2.50% |
| 16 | Depreciable Base | Col. D, Line 11 | | 162,718,631 |
| 17 | Depreciation Expense | | | 4,067,966 |

Northwest Pipeline LLC
Accumulated Depreciation for the MERP CRM Surcharge Calculation
For the Period Ending October 31, 2024

| Line No. | Description (A) | Reference (B) | Total (C) \$ |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------|------------------|--------------------|
| Turbine Exchanges | | | |
| 1 | Pegram #1 | 2023 | (103,125) |
| 2 | Lava #1 | 2023 | (103,125) |
| 3 | Pleasant View #1 & #2 Upgrades | 2024 | 0 1/ |
| 4 | Meacham #1 & #2 Upgrades | 2024 | 0 1/ |
| Horsepower Replacement | | | |
| 5 | Green River HP Replacement-1 | 2024 | 0 1/ |
| 6 | Sumas HP Replacement-1 | 2024 | 0 1/ |
| 7 | 2024 Total | | <u>(206,250)</u> |
| 8 | 1/ These projects were placed in-service during October 2024. Therefore, as of October 31, 2024, no depreciation was recorded. | | |

Northwest Pipeline LLC
Accumulated Deferred Income Taxes for the MERP CRM Surcharge Calculation
For the Period Ending October 31, 2024

| Line No. | Description | Reference | Total |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------|
| | (A) | (B) | (C) |
| | | | \$ |
| 1 | 2023 Turbine Exchanges | Section 30.4 (a) | (54,545) |
| 2 | 2024 Turbine Exchanges 1/ | Section 30.4 (a) | 0 |
| 3 | 2024 Horsepower Replacements 1/ | Section 30.4 (a) | 0 |
| 4 | | | <u>(54,545)</u> |
| 5 | 1/ These projects were placed in-service during October 2024. Therefore, as of October 31, 2024, no accumulated deferred income tax was recorded. | | |

Northwest Pipeline LLC
Billing Determinants for the MERP CRM Surcharge Calculation
For the Period April 1, 2025 - March 31, 2026

| Line No. | Description (A) | Reference (B) | Annual Billing Determinants as of Apr 2025 1/ (C) Dth |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------------------------------------------------------|
| 1 | TF-1 LARGE LT BASE CONTRACTS | Section 30.4 (b) | 926,325,064 |
| 2 | TF-1 EVERGREEN EXPANSION CONTRACTS | Section 30.4 (b) | 32,850,000 |
| 3 | TF-2 CONTRACTS 2/ | Section 30.4 (b) | 18,051,805 |
| 4 | Total Annual Billing Determinants | | <u>977,226,869</u> |
| 5 | 1/ In addition to current contracts as of Oct 31, 2024, annual billing determinants include contracts effective Nov 1, 2024 and April 1, 2025 to avoid over collection during the effective CRM period. | | |
| 6 | 2/ TF-2 Contracts are based on annual contract quantity | | |

Northwest Pipeline LLC
 MERP CRM Surcharge Filing
 2024 Maintenance Capital Expenditures on Transmission Gas Plant

| Line No. | Project Name (A) | Reference (B) | Total (C) \$ |
|----------|-----------------------------------------------------------------------------------------------------------------------|------------------|-----------------------|
| 1 | 2024 DOT 22" and 24" pipe replacements 1400 and 1401 MP 827.21 - 832.10 | Section 30.3 (f) | 26,360,771 |
| 2 | 2022 Blue Lake Landslide Area Stress Relief-1 | Section 30.3 (f) | 12,586,673 |
| 3 | EUG MLV 78-1 pipe replacement-1 | Section 30.3 (f) | 5,290,586 |
| 4 | Goldendale to Willard GEO/MFL/CMFL Digs-1 | Section 30.3 (f) | 4,816,618 |
| 5 | Piceance Creek Lateral GEO/MFL Digs-1 | Section 30.3 (f) | 4,353,291 |
| 6 | 2024 DOT Replacement 1400 MP 142.31 - 142.46-1 | Section 30.3 (f) | 3,510,927 |
| 7 | Sumas MU9 Solar Turbine Engine Exchange-1 | Section 30.3 (f) | 3,142,856 |
| 8 | Winchester to GP Immediates Digs-1 | Section 30.3 (f) | 2,613,394 |
| 9 | 2024 DOT 1400 MP 866.30 - 866.60-1 | Section 30.3 (f) | 2,005,625 |
| 10 | Projects with costs less than \$2 million | Section 30.3 (f) | 45,270,071 |
| 11 | 2024 Maintenance Capital Expenditures on Transmission Gas Plant | | <u>109,950,813</u> 1/ |
| 12 | Maintenance Capital Amount below \$75 million | | 0 |
| 13 | 1/ For the calendar year 2024 NWP exceeded the required spending of \$75 million on Transmission maintenance capital. | | |