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May 15, 2023

Regulatory Commission of Alaska  
701 West Eighth Avenue, Suite 300  
Anchorage, Alaska 99501

Subject: Tariff Advice Letter 52-733, Annual Fuel Use Report under Tariff Section

Dear Commissioners:

The tariff filing described below is transmitted to you for filing in compliance with Sections 3 AAC 48.200 - 3 AAC 48.430 of the Alaska Administrative Code:

<u>Tariff Sheet</u>		<u>Cancels Sheet</u>		<u>Schedule or Rule Number</u>
<u>Number</u>	<u>Revision</u>	<u>Number</u>	<u>Revision</u>	
77	14th	77	13th	Section 35.3 – Fuel Use Charge

#### REQUEST FOR APPROVAL

Cook Inlet Natural Gas Storage Alaska, LLC (“CINGSA”) requests approval of its annual redetermination of its Injection/Withdrawal Fuel Use Percentage.<sup>1</sup> As explained in more detail below, CINGSA’s Injection/Withdrawal Fuel Use Percentage will remain at 1.3% for the period July 1, 2023 to June 30, 2024. The Injection/Withdrawal Fuel Use Percentage is applied to all injected volumes for all of CINGSA’s customers.<sup>2</sup> All of CINGSA’s customers will be affected by this filing.

In accordance with Section 30 of its Tariff, CINGSA respectfully requests that this tariff revision be made effective as of July 1, 2023.

#### BACKGROUND/TARIFF PROVISIONS

The annual redetermination of the Current Injection/Withdrawal Fuel Use Percentage is required under CINGSA’s Tariff Section 30.3, which states:

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<sup>1</sup> See Section 30 of CINGSA’s Tariff. The calculated amount is presented in Tariff Section 35.3 (Sheet 77).

<sup>2</sup> CINGSA currently has three Firm Storage Service (“FSS”) customers and five Interruptible Storage Service (“ISS”) customers.

Section 30.3 Current Injection/Withdrawal Fuel Use Percentage: The Current Injection/Withdrawal Fuel Use Percentage shall be re-determined annually on or before May 15th to reflect the estimated Fuel Use and estimated injections for the ensuing twelve-month period beginning the first Day in July.

As provided by Tariff Section 30.5, the Injection/Withdrawal Fuel Use Percentage is the sum of the Current Injection/Withdrawal Fuel Use Percentage calculated in Section 30.3 and the Current Fuel Use Surcharge Percentage calculated in Section 30.4. CINGSA is required under Section 30.6(b) of its Tariff to annually file its Fuel Use report and the Injection/Withdrawal Fuel Use Percentage calculation for the ensuing twelve-month period.

Attachment A is CINGSA's Fuel Use Annual Report, which CINGSA simultaneously delivered to its customers with this tariff filing. It is a summary report that does not show individual customer information.

#### Fuel Use/Fuel Use Percentage

The Injection/Withdrawal Fuel Use Percentage is an estimated percentage used for calculating Fuel Use (defined below) during the following year. Fuel Use is subtracted from total injections for billing purposes. Similar to the accounting methodology for other adjustments, the estimated number includes a true-up for the actual fuel use in the prior period.

#### Fuel Use (Section 30.1):

"Fuel Use" is the quantity of Gas required by CINGSA for injections into and withdrawals from the Facility. Fuel Use includes compressor fuel use Gas and lost-and-unaccounted-for ("LAUF") gas. LAUF primarily consists of losses of stored Gas from field operations, reservoir or equipment failure, and natural or forced migration of storage Gas. In the event of extraordinary losses, CINGSA is required to separately seek RCA approval for recovery of associated costs.

As shown on Attachment A, CINGSA records three categories of operational fuel

- Station Loss;
- Field Loss; and
- Compressor Usage.

Station Loss is the loss due to any "blow-downs" or venting of equipment needed for normal operations or maintenance of the station facility. Field Loss is the loss due to any "blow-downs" or venting of equipment needed for normal operations or maintenance at the well pad site. Compressor Usage records the fuel necessary to operate the compressor(s) to provide the required injection/withdrawal pressure.

CINGSA did not experience any extraordinary losses or any losses due to negligence in its eleventh year of operations. Injections were higher in Contract Year 2022-2023 compared to those in Contract Year 2021-2022.

Current Injection/Withdrawal Fuel Use Percentage (Section 30.3):

The Current Injection/Withdrawal Fuel Use Percentage is the actual fuel use percentage from the most current, completed Contract Year. CINGSA believes that the best estimate for the current year is the actual usage percentage for the year just completed. This is calculated by taking the total actual fuel usage, 90,630.2 Mcf, divided by the total Gross Injections for the year of 6,592,198 Mcf, to arrive at 1.375%. This percentage is used to calculate the Injection/Withdrawal Fuel Use Percentage below.

Current Fuel Use Surcharge Percentage (Section 30.4):

The Current Fuel Use Surcharge Percentage is the cumulative adjustment (true-up) for the difference between actual and estimated Fuel Use for all completed Contract Years. It is calculated as follows:

Contract Year 1 (2012-2013) (Over) Under Charged Fuel Use (Mcf)	(60,610.2)
Contract Year 2 (2013-2014) (Over) Under Charged Fuel Use (Mcf)	44,572.2
Contract Year 3 (2014-2015) (Over) Under Charged Fuel Use (Mcf)	7,755.0
Contract Year 4 (2015-2016) (Over) Under Charged Fuel Use (Mcf)	31,526.4
Contract Year 5 (2016-2017) (Over) Under Charged Fuel Use (Mcf)	(22,916.5)
Contract Year 6 (2017-2018) (Over) Under Charged Fuel Use (Mcf)	(8,999.8)
Contract Year 7 (2018-2019) (Over) Under Charged Fuel Use (Mcf)	15,161.3
Contract Year 8 (2019-2020) (Over) Under Charged Fuel Use (Mcf)	7,408.0
Contract Year 9 (2020-2021) (Over) Under Charged Fuel Use (Mcf)	(22,553.1)
Contract Year 10 (2021-2022) (Over) Under Charged Fuel Use (Mcf)	(725.1)
Contract Year 11 (2022-2023) (Over) Under Charged Fuel Use (Mcf)	<u>4,931.1</u>
Cumulative (Over) Under Collection of Fuel Use (Mcf)	(4,450.8)
Divided by Projected Injections (Mcf) for Contract Year 12 <sup>3</sup>	<u>5,992,217</u>
Current Fuel Use Surcharge Percentage – over collection:	<u>(0.074%)</u>

Injection/Withdrawal Fuel Use Percentage (Section 30.5):

Pursuant to Tariff Section 30.5, the Injection/Withdrawal Fuel Use Percentage is the sum of the Current Injection/Withdrawal Fuel Use Percentage and the Current Fuel Use Surcharge Percentage calculation. The Injection/Withdrawal Fuel Use Percentage

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<sup>3</sup> CINGSA is projecting Year 12 injections based upon the weighted average for the last ten contract years of Customer injections as a percentage of contracted maximum storage quantity (MSQ).

for Contract Year 12 (2023-2024) is calculated as follows:

Current Injection/Withdrawal Fuel Use Percentage (Section 30.3)	1.375%
Current Fuel Use Surcharge Percentage - over collection (Section 30.4)	<u>(0.074%)</u>
	<u>1.301%</u>
Contract Year 12 Injection/Withdrawal Fuel Use Percentage (rounded)	<u>1.3%</u>

The Injection/Withdrawal Fuel Use Percentage is the percentage of Fuel Use assessed on all FSS and ISS injections into CINGSA's Facility.

The attached proposed Tariff Sheet No. 77 shows the rounded Injection/Withdrawal Fuel Use Percentage, 1.3%, for July 1, 2023 through June 30, 2024.

3 AAC 48.280 states that the Commission may prescribe an additional means by which a tariff filing is noticed to the public. CINGSA is electronically serving copy of this filing to all of its customers with effective FSS or ISS agreements, which meets the requirements of 3 AAC 48.280(2). It will also be providing notice of this filing on its website, with a link to the entire filing. CINGSA requests the Commission consider this noticing sufficient, and not require newspaper publication of the public notice.

In accordance with Section 30 of its Tariff, CINGSA respectfully requests that this tariff revision be made effective as of July 1, 2023. If you have any questions, please contact Chelsea Guintu at 334-7620.

Sincerely,

Cook Inlet Natural Gas Storage Alaska, LLC



Chelsea Guintu  
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Enclosures:

Attachment A – CINGSA's Fuel Use Annual Report  
Revised Tariff Sheet

**CERTIFICATE OF SERVICE**

I hereby certify that on May 15, 2023 a true and correct copy of TA 52-733 CINGSA's Annual Fuel Use Report was served via e-mail on the following:

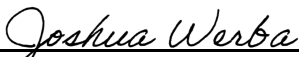
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Joshua Werba  
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**Contract Year April 2022-March 2023  
CINGSA Fuel Use/Loss True-Up**

<b>Actual Fuel Use/Loss-MCF:</b>	<u>Apr-22</u>	<u>May-22</u>	<u>Jun-22</u>	<u>Jul-22</u>	<u>Aug-22</u>	<u>Sep-22</u>	<u>Oct-22</u>	<u>Nov-22</u>	<u>Dec-22</u>	<u>Jan-23</u>	<u>Feb-23</u>	<u>Mar-23</u>	<u>Total</u>	
Station Losses	1,070.7	901.9	472.5	960.6	508.1	537.8	507.1	204.2	473.0	726.9	551.3	307.1	7,221.1	
Field Losses	79.1	0.0	0.0	0.0	8.1	103.9	23.2	0.0	3.4	10.6	0.0	0.0	228.3	
Compressor Usage	3,339.7	10,581.1	14,170.8	16,387.4	154.1	7,247.9	4,890.8	3,778.0	5,888.0	10,854.7	3,277.0	2,611.4	83,180.8	
<b>Total</b>	<b>4,489.5</b>	<b>11,483.0</b>	<b>14,643.3</b>	<b>17,348.0</b>	<b>670.3</b>	<b>7,889.6</b>	<b>5,421.1</b>	<b>3,982.2</b>	<b>6,364.3</b>	<b>11,592.3</b>	<b>3,828.2</b>	<b>2,918.5</b>	<b>90,630.2</b>	<b>1.375%</b>
<b>Fuel Use Retained by CINGSA from Customers-MCF:</b>	<b>2,357.9</b>	<b>10,619.5</b>	<b>17,297.4</b>	<b>17,413.4</b>	<b>10,082.6</b>	<b>3,087.0</b>	<b>2,917.6</b>	<b>1,933.3</b>	<b>4,553.2</b>	<b>10,963.3</b>	<b>2,881.1</b>	<b>1,592.8</b>	<b>85,699.1</b>	
<b>Under (Over) Charged Fuel Use</b>	<b>2,131.6</b>	<b>863.5</b>	<b>(2,654.1)</b>	<b>(65.4)</b>	<b>(9,412.3)</b>	<b>4,802.6</b>	<b>2,503.5</b>	<b>2,048.9</b>	<b>1,811.1</b>	<b>629.0</b>	<b>947.1</b>	<b>1,325.7</b>	<b>4,931.1</b>	
Under (Over) - Year 1													(60,610.2)	
Under (Over) - Year 2													44,572.2	
Under (Over) - Year 3													7,755.0	
Under (Over) - Year 4													31,526.4	
Under (Over) - Year 5													(22,916.5)	
Under (Over) - Year 6													(8,999.8)	
Under (Over) - Year 7													15,161.3	
Under (Over) - Year 8													7,408.0	
Under (Over) - Year 9													(22,553.1)	
Under (Over) - Year 10													(725.1)	
<b>Cumulative Under (Over) - Year 10</b>													<b>(4,450.8)</b>	<b>-0.074%</b>
<b>Projected Fuel Use %</b>														<b>1.301%</b>

<b>Total Gross Injections Allocated to Customers:</b>	181,364.0	816,886.0	1,330,567.0	1,339,506.0	775,581.0	237,453.0	224,419.0	148,725.0	350,257.0	843,322.0	221,593.0	122,525.0	6,592,198.0
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<b>Forecasted Injection Calculation:</b>	<u>Year 1</u> <u>2012-2013</u>	<u>Year 2</u> <u>2013-2014</u>	<u>Year 3</u> <u>2014-2015</u>	<u>Year 4</u> <u>2015-2016</u>	<u>Year 5</u> <u>2016-2017</u>	<u>Year 6</u> <u>2017-2018</u>	<u>Year 7</u> <u>2018-2019</u>	<u>Year 8</u> <u>2019-2020</u>	<u>Year 9</u> <u>2020-2021</u>	<u>Year 10</u> <u>2021-2022</u>	<u>Year 11</u> <u>2022-2023</u>	<u>Total</u>
Volumes Injected by Customers (Mcf)	7,360,629	5,900,411	4,675,604	6,038,913.0	5,504,571.0	6,295,901.0	6,108,294.0	5,354,421.0	7,248,152.0	6,108,372.0	6,592,198.0	59,826,837
Contracted MSQ (Mcf)	8,000,000	11,000,000	11,000,000	10,825,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	109,825,000
Injection Rate as a Percentage of Contracted MSQ	92.0%	53.6%	42.5%	55.8%	50.0%	57.2%	55.5%	48.7%	65.9%	55.5%	59.9%	54.5%

Year 11 MSQ (2022-2023)	11,000,000
Average Historical Injection Rate	54.5%
Estimated Injections for Current Year	<u>5,992,217</u>

### Cook Inlet Natural Gas Storage, Alaska, LLC

35.3 FUEL USE CHARGE

As provided for in Section 30.5.

a. Injection/Withdrawal Fuel Use Percentage:

The Injection/Withdrawal Fuel Use Percentage is the effective percentage assessed on all injections as set forth below:

<u>Effective Period</u>	<u>Rate</u>
April 1, 2012 to May 1, 2013	1.5%
May 1, 2013 to April 30, 2014	0.5%
May 1, 2014 to June 30, 2015	1.1%
July 1, 2015 to June 30, 2016	1.1%
July 1, 2016 to June 30, 2017	2.0%
July 1, 2017 to June 30, 2018	1.1%
July 1, 2018 to June 30, 2019	1.1%
July 1, 2019 to June 30, 2020	1.5%
July 1, 2020 to June 30, 2021	1.8%
July 1, 2021 to June 30, 2022	1.3%
July 1, 2022 to June 30, 2023	1.3%
July 1, 2023 to June 30, 2024	1.3%

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