

Rover Pipeline LLC  
FERC Docket No. CP15-93-000  
Rover Pipeline Project  
Response to FERC Data Request  
Filed May 1, 2015

Accounting:

1. In Exhibit K, Rover estimates the capitalized Allowance for Funds Used During Construction (AFUDC) as \$465,854,589. Please provide the following in Microsoft Excel. Also, the worksheets and/or files should retain all notes, plus any formulas supporting the calculation:
  - a. The worksheet computations on a monthly basis to support the \$465,854,589 of AFUDC. Identify the debt/equity AFUDC amounts.
  - b. The computation and methodology to support the debt/equity cost rates used to derive the AFUDC rate.

Response:

- a. See Attachment\_Rover\_AFUDC.xlsx. The Debt AFUDC amounts are reflected in Column (e), and the Equity AFUDC amounts are shown in Column (b).
- b. In developing the cost of service, including its AFUDC calculation, Rover has utilized a capital structure of 50% debt and 50% equity. The rate of return on equity of 13.00% is based in part on the specific risks facing Rover as a new pipeline project, and is consistent with equity returns recently approved by the Commission for new pipelines, as discussed in the application. The rate of return on debt of 6.50% reflects the relevant capital borrowing environment. The total return allowance is 9.75%.

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**ROVER PIPELINE LLC**  
Docket No. CP15-93-000  
AFUDC Calculation

Line No.	Month	Beginning Balance	Equity During Construction On 13.00%	Ending Balance	Debt Beginning Balance	Debt During Construction On 6.50%	Debt Ending Balance	Total Monthly AFUDC	Cumulative AFUDC
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	June 2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	July	86,160	951	87,111	86,160	476	86,636	1,427	1,427
3	August	243,823	2,692	246,515	243,823	1,346	245,169	4,038	5,465
4	September	3,644,967	38,946	3,683,913	3,644,967	19,473	3,664,440	58,419	63,884
5	October	5,816,570	64,221	5,880,791	5,816,570	32,111	5,848,681	96,332	160,216
6	November	34,770,718	371,523	35,142,241	34,770,718	185,761	34,956,479	557,284	717,500
7	December	57,616,934	636,154	58,253,088	57,616,934	318,077	57,935,011	954,231	1,671,731
8	January 2015	86,297,806	965,127	87,262,933	86,297,806	479,487	86,777,293	1,444,614	3,116,345
9	February	182,169,822	1,816,707	183,986,529	182,169,822	908,354	183,078,176	2,725,061	5,841,406
10	March	219,703,177	2,425,764	222,128,941	219,703,177	1,212,882	220,916,059	3,638,646	9,480,052
11	April	273,064,317	2,917,674	275,981,991	273,064,317	1,458,837	274,523,154	4,376,511	13,856,563
12	May	335,590,208	3,705,284	339,295,492	335,590,208	1,852,642	337,442,850	5,557,926	19,414,489
13	June	387,724,998	4,142,815	391,867,813	387,724,998	2,071,408	389,796,406	6,214,223	25,628,712
14	July	434,109,272	4,969,406	439,078,678	434,109,272	2,440,595	436,549,867	7,410,001	33,038,713
15	August	490,383,455	5,414,371	495,797,826	490,383,455	2,707,185	493,090,640	8,121,556	41,160,269
16	September	531,907,772	5,683,398	537,591,170	531,907,772	2,841,699	534,749,471	8,525,097	49,685,366
17	October	568,779,101	6,279,945	575,059,046	568,779,101	3,139,972	571,919,073	9,419,917	59,105,283
18	November	638,658,614	6,824,024	645,482,638	638,658,614	3,412,012	642,070,626	10,236,036	69,341,319
19	December	663,290,797	7,323,457	670,614,254	663,290,797	3,661,729	666,952,526	10,985,186	80,326,505
20	January 2016	712,041,564	8,417,960	720,459,524	712,041,564	4,064,291	716,105,855	12,482,251	92,808,756
21	February	746,067,933	7,684,907	753,752,840	746,067,933	3,842,454	749,910,387	11,527,361	104,336,117
22	March	783,791,309	8,630,270	792,421,579	783,791,309	4,315,135	788,106,444	12,945,405	117,281,522
23	April	828,238,434	8,825,492	837,063,926	828,238,434	4,412,746	832,651,180	13,238,238	130,519,760
24	May	856,122,295	9,426,702	865,548,997	856,122,295	4,713,351	860,835,646	14,140,053	144,659,813
25	June	892,021,558	9,505,148	901,526,706	892,021,558	4,752,574	896,774,132	14,257,722	158,917,535
26	July	930,057,756	10,818,769	940,876,525	930,057,756	5,264,096	935,321,852	16,082,865	175,000,400
27	August	979,631,817	10,786,656	990,418,473	979,631,817	5,393,328	985,025,145	16,179,984	191,180,384
28	September	1,099,500,769	11,715,992	1,111,216,761	1,099,500,769	5,857,996	1,105,358,765	17,573,988	208,754,372
29	October	1,317,024,027	14,501,658	1,331,525,685	1,317,024,027	7,250,829	1,324,274,856	21,752,487	230,506,859
30	November	1,517,100,713	16,165,827	1,533,266,540	1,517,100,713	8,082,914	1,525,183,627	24,248,741	254,755,600
31	December	1,786,126,291	19,666,910	1,805,793,201	1,786,126,291	9,833,455	1,795,959,746	29,500,365	284,255,965
32	January 2017	1,815,985,429	21,553,673	1,837,539,102	1,815,985,429	10,399,435	1,826,384,864	31,953,108	316,209,073
33	February	1,851,237,645	18,461,658	1,869,699,303	1,851,237,645	9,230,829	1,860,468,474	27,692,487	343,901,560
34	March	1,867,854,151	20,623,157	1,888,477,308	1,867,854,151	10,311,578	1,878,165,729	30,934,735	374,836,295
35	April	1,869,727,165	19,977,907	1,889,705,072	1,869,727,165	9,988,953	1,879,716,118	29,966,860	404,803,155
36	May	1,871,779,243	20,666,494	1,892,445,737	1,871,779,243	10,333,247	1,882,112,490	30,999,741	435,802,896
37	June	1,875,020,343	20,034,462	1,895,054,805	1,875,020,343	10,017,231	1,885,037,574	30,051,693	465,854,589
38	Total		\$ <u>311,046,101</u>			\$ <u>154,808,488</u>		\$ <u>465,854,589</u>	
39	Annual Amortization								
40	- Equity		\$ 7,776,153						
40	- Debt		<u>3,870,212</u>						
41	Total		\$ <u>11,646,365</u>						
	Factor	100.00%							
	Equity	50.00%							
	Debt	50.00%							