

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

October 26, 2005

In Reply Refer To:  
Columbia Gas Transmission Corporation  
Docket No. RP05-210-000

Columbia Gas Transmission Corporation  
P.O. Box 1273  
Charleston, WV 25325-1273

Attention: David P. Sharo, Esq.  
Senior Attorney

Reference: Stipulation and Agreement

Dear Mr. Sharo:

1. On August 31, 2005 Columbia Gas Transmission Corporation (Columbia), on behalf of itself, Commission Trial Staff and the Endorsing Parties,<sup>1</sup> filed an uncontested offer of settlement to resolve all issues raised in the above referenced docket concerning all matters associated with the recovery of electric power costs associated with Columbia's Downingtown Compressor Station (Downingtown) through its Electric Power Cost Adjustment (EPCA) rates. The settlement was certified as uncontested by

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<sup>1</sup> The Endorsing Parties are Old Dominion Electric Cooperative; CED Rock Springs, LLC; Baltimore Gas & Electric Company; Proliance Energy; the Cities of Charlottesville and Richmond, Virginia; Columbia Small Customer Group; Public Service Commission of the State of New York; The East Ohio Gas Company d/b/a Dominion East Ohio, and Hope Gas, Inc. d/b/a Dominion Hope (collectively Dominion Hope); New York State Electric and Gas Corporation; Virginia Power Marketing, Inc.; Washington Gas Light Company; Piedmont Natural Gas Company; Public Service Commission of the Commonwealth of Kentucky, and Honeywell International, Inc.

the Presiding Administrative Law Judge on September 22, 2005.<sup>2</sup> The August 31, 2005 settlement filed by Columbia is approved as fair and reasonable and in the public interest.

## **I. Background**

2. On March 1, 2005, Columbia filed tariff sheets<sup>3</sup> reflecting its annual revision of the transportation and LNG EPCA rates and surcharges pursuant to section 45 of the General Terms and Conditions (GT&C) of its tariff. In this proceeding, Columbia proposed to roll-in the electric power costs associated with Columbia's installation of new electric compression at Downingtown. On March 31, 2005, the Commission issued an order that accepted for filing the proposed tariff sheets, subject to refund and subject to the outcome of a hearing on the issue of Columbia's proposal to roll-in the electric power costs associated with Downingtown into its system-wide EPCA Rates.<sup>4</sup> Settlement discussions among the active parties and Commission Trial Staff during July and August 2005 produced the resolution reflected in this settlement.

## **II. Settlement Provisions**

3. Article I addresses the method by which Columbia is to recover electric power costs associated with Downingtown. Under the settlement, these costs shall be recovered from all system shippers on a rolled-in basis; provided, however, that Old Dominion Electric Cooperative and CED Rock Springs shall each contribute \$150,000 to the system's electric power costs for the period April 1, 2006 through March 31, 2007, and Columbia shall reduce by \$300,000 the demand costs that it otherwise would collect in its 2006 Annual EPCA filing. Further, the settlement provides that there shall be no challenge to the rolled-in rate treatment of Downingtown electric power costs through March 31, 2008 and anyone seeking to challenge the established rolled-in methodology for such costs, reflected in Columbia's 2008 Annual EPCA Filing or subsequent EPCA Filings, must do so under section 5 of the Natural Gas Act<sup>5</sup> and must bear the burden of

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<sup>2</sup> *Columbia Gas Transmission Corp.*, 112 FERC ¶ 61,028 (2005).

<sup>3</sup> Seventy-fifth Revised Sheet Nos. 25, 26, and 27, Sixty-third Revised Sheet No. 28, and Twentieth Revised Sheet No. 31 to FERC Gas Tariff, Second Revised Volume No. 1.

<sup>4</sup> *Columbia Gas Transmission Corp.*, 110 FERC ¶ 61,397; *order on clarification*, 111 FERC ¶ 61,485 (2005).

<sup>5</sup> 15 U.S.C. § 717d (2000).

proof under section 5. In addition, the settlement removes the refund condition previously imposed on Columbia's 2005 Annual EPCA Filing, and requires no restatement or revision to such rates. The settlement states that it does not address the issue of whether Downingtown electric compressor facility costs should be recovered on a rolled-in basis and does not affect the burden of going forward or the burden of proof with respect to that issue in any subsequent proceeding.

4. Article II provides that approval of the settlement establishes rolled-in rate treatment of Downingtown power costs as a "settled practice" as to such costs, but provides that the settlement shall not establish a "settled practice," or be regarded as precedent, with respect to the treatment of any other electric power costs.

5. Article III provides that the settlement represents a complete and final resolution of all issues raised or that reasonably could have been raised in the proceeding, and terminates the proceeding with prejudice.

6. Article IV provides for non-severability of the settlement provisions, and states that titles and headings in the settlement are for reference purposes only.

7. Article V provides that the settlement shall become effective as of the date of a final Commission order approving its terms and conditions without modification or condition.

8. Article VI addresses the privileged nature of the settlement, and provides that if it is not approved in its entirety, or if it is approved with modifications or conditions, it shall be privileged and not admissible in evidence.

### **III. Settlement Comments**

9. The following parties filed comments in support of the settlement: Dominion Hope, Columbia, and Commission Trial Staff. No comments in opposition to the settlement were filed.

### **IV. Disposition**

10. The Commission concludes that the settlement is fair and reasonable, and in the public interest. It is, therefore, approved. Approval of the settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding. The Commission retains the right to investigate the rates, terms, and conditions under the just and reasonable and not unduly discriminatory or preferential standard of section 5 of the Natural Gas Act, 15 U.S.C. § 717d (2005).

11. This order terminates Docket No. RP05-210-000.

By direction of the Commission.

Magalie R. Salas,  
Secretary.