

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Nora Mead Brownell, and Suedeen G. Kelly.

Entrega Gas Pipeline LLC

Docket No. RP06-209-000

ORDER REJECTING FILING

(Issued March 2, 2006)

1. Entrega Gas Pipeline LLC (Entrega) filed an application with proposed revised tariff sheets to its FERC Gas Tariff, First Revised Volume No. 1<sup>1</sup> pursuant to section 4 of the Natural Gas Act (NGA) in order to implement a Facility Reimbursement Fee for installation of new natural gas pipeline facilities to provide an interconnect with TransColorado Gas Transmission Company (TransColorado). For the reasons set forth below, we reject the filing and direct Entrega to make an appropriate filing under section 7 of the NGA.

**Background**

2. Entrega is a newly constructed pipeline in Colorado and Wyoming that filed an application with the Commission for a certificate of public convenience and necessity pursuant to section 7(c) of the NGA on September 17, 2004. On August 9, 2005, the Commission issued Entrega's certificate authorizing the construction of the Entrega Pipeline Project.<sup>2</sup> On November 16, 2005, Entrega filed actual tariff sheets in Docket No. CP04-414-002. On December 29, 2005, the Commission issued an order on rehearing which required Entrega to revise its tariff with respect to interruptible revenue sharing with negotiated rate shippers with firm services contracts.<sup>3</sup> Pursuant to the rehearing order, Entrega filed revised tariff sheets on January 19, 2006 in Docket No. CP04-413-002.

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<sup>1</sup> First Revised Sheet No. 20, First Revised Sheet No. 20A, First Revised Sheet No. 20B and Original Sheet No. 21A.

<sup>2</sup> *Entrega Gas Pipeline LLC*, 112 FERC ¶ 61,177 (2005).

<sup>3</sup> *Entrega Gas Pipeline LLC*, 113 FERC ¶ 61,327 (2005).

**Instant Filing**

3. On January 31, 2006, Entrega filed in Docket No. RP06-209-000 revised tariff sheets to its FERC Gas Tariff, pursuant to section 4 of the NGA in order to implement a Facility Reimbursement Fee for installation of new facilities required to provide an interconnect with TransColorado . Entrega states that the Facility Reimbursement Fee will ensure that shippers using the interconnect facilities, which have been constructed, will provide the funding for the facilities. Entrega requests an effective date of December 17, 2005 for the tariff sheets which corresponds to the date requested for the tariff sheets that Entrega filed on November 16, 2005 in compliance with the Commission's August 9, 2005 certificate order and the tariff sheets filed January 19, 2006, in compliance with the Commission's December 29, 2005 rehearing order.

4. Entrega states that it determined that a one-half mile, 24-inch diameter interconnect with TransColorado would be advantageous and has completed construction pursuant to authority in its part 157 blanket construction certificate.<sup>4</sup> The facilities are designed for gas rates ranging from 30,000 Dth/day to 350,000 Dth/day. Entrega asserts that when service commences, the TransColorado interconnection will be available for use by any shipper on the system.

5. The instant filing requests that the recovery of costs and taxes associated with the installation of the interconnect facilities, be collected by initiating Entrega's proposed Facility Reimbursement Fee. The proposed fee of \$0.0114 per Dth is calculated based on the total cost of \$1,455,077 for the interconnect facilities divided by the expected average receipts of 350,000 Dth per day for one year. Collection of the fee would continue until the actual costs and taxes associated with these interconnect facilities have been reimbursed to Entrega. At that time, Entrega would cease collecting the fee and file to remove the proposed Facility Reimbursement Fee from Tariff Sheet No. 21A. Entrega concludes that its interconnect with TransColorado is in contrast to pipeline facilities that transports to a receipt point for a single producer or deliver to an individual city gate or plant. Therefore, Entrega believes the Commission should allow the pipeline to collect the reimbursement fee from all shippers that use the interconnect facilities on an open access and not unduly discriminatory basis.

**Public Notice and Interventions**

6. Public notice of Entrega's January 31, 2006 filing was issued on February 9, 2006, with comments, protests, or motions to intervene due on or before February 13, 2006. No protests or comments were filed. Notices of intervention and unopposed timely filed

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<sup>4</sup> *Entrega Gas Pipeline LLC*, 112 FERC & 61,177 at ordering paragraph (E) (2005).

motions to intervene are granted pursuant to the operation of Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214 (2005)). Any opposed or untimely filed motion to intervene is governed by the provisions of Rule 214.

### **Discussion**

7. Entrega has proposed incremental recourse rate treatment for transportation services over the interconnect facilities with TransColorado, a proposal not included within its certificate filing in Docket No. CP04-414-000 and not within initial rates for service to shippers. The Commission has found that the blanket certificate program as conceived and implemented does not accommodate the setting of incremental rates for blanket facilities. Pipelines desiring to charge incremental rates for incremental facilities and services must file an application under section 7 for certificate authority and initial recourse rates.<sup>5</sup> Entrega must therefore file to amend its application in Docket No. CP04-414-000, *et al.* to include the interconnection with TransColorado and support its proposed rate treatment therein or file a new application under section 7(c) of the NGA for the appropriate authorization.

### **The Commission orders:**

Pursuant to the Commission's Regulations under the Natural Gas Act, particularly section 154.6, (18 C.F.R. § 154.6 (2005)), the application filed in Docket No. RP06-209-000 is hereby rejected. Within 60 days of the date of issuance of this order, Entrega is directed to file an application pursuant to section 7 of the NGA and the applicable regulations under part 157 for authority to construct and operate the facilities described herein. The appropriate rate treatment for the subject facilities and services will be determined in that application.

By the Commission. Commissioner Brownell dissenting with a separate statement attached.

( S E A L )

Magalie R. Salas,  
Secretary.

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<sup>5</sup> See *Tennessee Gas Pipeline Company*, 110 FERC ¶ 61,047 (2005), *order denying rehearing*, 111 FERC ¶ 61,094 (2005).

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BROWNELL, Commissioner, dissenting:

Entrega filed to establish an incremental recourse rate for new facilities constructed to provide an interconnection with TransColorado. The facilities were constructed pursuant to our blanket construction certificate program set forth in Part 157, subpart F of our regulations. The majority rejects the filing on the basis that the blanket certificate program does not accommodate the setting of incremental rates for blanket facilities. I do not agree with the policy decision that incremental pricing is incompatible with our blanket certificate program for the reasons set forth in Tennessee Gas Pipeline Company, 110 FERC & 61,047 (2005) reh'g denied, 111 FERC & 61,094 (2005).

Therefore, I respectfully dissent.

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Nora Mead Brownell  
Commissioner