

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

February 21, 2007

In Reply Refer To:
Enbridge Offshore Pipelines (UTOS) L.L.C.
Docket No. RP07-101-000

Vinson & Elkins L.L.P.
1001 Fannin Street, Suite 2500
Houston, TX 77002

Attention: Kathleen C. Lake, Counsel
Enbridge Offshore Pipelines (UTOS) L.L.C.

Reference: Petition for Extension of Existing Settlement

Dear Ms. Lake:

1. On December 7, 2006, Enbridge Offshore Pipelines (UTOS) L.L.C. (“UTOS”) filed a “Petition to Extend Existing Settlement” (Petition) pursuant to Rule 207(a)(5)¹ proposing a settlement to amend the existing settlement agreement approved in Docket No. RP03-335-000 (Settlement) by extending its term for three years from the date of a final, non-appealable Commission order.² The Petition does not propose any changes to UTOS’ existing rates or tariff. The settlement proposed in the Petition will be treated as an uncontested settlement pursuant to Rule 602(g)³ and appears to be fair and reasonable and in the public interest. It is therefore approved.

¹ 18 C.F.R. § 385.207(a)(5) (2006). UTOS cites *Colorado Interstate Gas Co.*, 114 FERC ¶ 61,173 (2006), in support of its Petition.

² UTOS attached Appendices A, B, and C to its filing. Appendix A contains a list of shippers who either support or do not oppose the proposed Settlement amendment. Appendix B is a copy of the existing Settlement. Appendix C is a copy of the Commission’s prior Order approving the existing Settlement.

³ 18 C.F.R. § 385.602(g) (2006).

2. Article II of the Existing Settlement provided for rates equal to its then currently effective rates at the time of the Settlement and that UTOS would file a new general rate case under section 4 of the Natural Gas Act (NGA) within three years of the date of a final, non-appealable Commission order approving the Settlement.⁴ The Petition proposes to maintain all of the existing terms of the existing Settlement, including the provision that the currently effective rates will continue to apply, but it modifies Article II so that the existing Settlement terms remain effective for an additional three years.

3. UTOS states that, in the existing Settlement, it noted that the UTOS system is largely depreciated, with dramatically declining volumes that are expected to continue declining and that competition precluded UTOS from setting rates any higher than its currently existing rates. UTOS states that the economic circumstances described above remain true today and are expected to continue. UTOS states that the instant settlement proposal is in the public interest because it avoids litigation costs and rate uncertainty, maintains existing rates that are fully cost supported, and provides the opportunity for future Commission review of UTOS' rates by requiring a general section 4 rate case filing at the end of the term of the Settlement.

4. Notices of intervention and unopposed timely filed 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). Any opposed or untimely filed motion to intervene is governed by the provisions of Rule 214. No protests or adverse comments were received.

5. As noted above, UTOS is proposing an extension of a settlement, which none of the shippers oppose, and which results in rates on UTOS' system equal to the existing Settlement rates. Pursuant to section 385.602(g)(3) of the Commission's settlement rules,⁵ the Commission finds that the uncontested settlement proposed by the Petition is fair and reasonable and in the public interest, and therefore is approved. The Commission's approval of this settlement does not constitute a precedent regarding any principle or issue in this proceeding.

By direction of the Commission.

Magalie R. Salas,
Secretary.

⁴ Pursuant to the terms of the existing Settlement, UTOS was required to file a general rate case by August 22, 2006, but the Commission granted an extension of time to December 7, 2006.

⁵ 18 C.F.R. § 385.602 (g)(3) (2006).