

130 FERC ¶ 61,132
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Marc Spitzer, Philip D. Moeller,
and John R. Norris.

Great Lakes Gas Transmission
Limited Partnership

Docket No. RP10-149-000

ORDER DENYING RECONSIDERATION
AND REQUEST FOR LIMITED STAY

(Issued February 24, 2010)

1. On November 19, 2009, the Commission, after finding that Great Lakes Gas Transmission Limited Partnership (Great Lakes) may be substantially over-recovering its cost of service, thereby causing Great Lakes' existing rates to be unjust and unreasonable, issued an order¹ initiating an investigation, pursuant to section 5 of the Natural Gas Act (NGA), to determine whether the rates currently charged by Great Lakes are just and reasonable, and setting the matter for hearing. Great Lakes filed a Request for Reconsideration and for Limited Stay of the November 19 Order. For the reasons set forth below, the Commission denies reconsideration or stay of the order.

2. On November 19, 2009, the Commission determined that, based on its review of Great Lakes' Form 2 for 2008, Great Lakes may be "substantially over-recovering its cost of service, causing Great Lakes' existing rates to be unjust and unreasonable."² The Commission initiated an investigation pursuant to NGA section 5 to determine whether rates currently charged by Great Lakes are just and reasonable, and set the matter for hearing. The order directed Great Lakes to file a cost and revenue study within 45 days of the issuance of the order. The cost and revenue study was to include all the schedules in the format described in 18 C.F.R. § 154.312 (2009) except it need not include Statement P nor need it include nine-months of post-base period adjustments. The time for filing the study was extended by the Chief Judge to February 4, 2010.

¹ *Great Lakes Gas Transmission Limited Partnership*, 129 FERC ¶ 61,159 (2009) (November 19 Order).

² *Id.* P 1.

3. On November 19, 2009, the Commission issued orders establishing two other NGA Section 5 investigations concerning the rates of Natural Gas Pipeline Company of America (Natural), and Northern Natural Gas Company (Northern), respectively, in separate-docketed proceedings.³ Natural and Northern submitted timely requests for rehearing of the above-referenced Commission orders. Each independently requested in their respective Requests for Rehearing that the Commission rescind its orders requiring them to file cost and revenue studies. Natural also sought a stay of the November 19 Order directing it to file a cost and revenue study.

4. On January 4, 2010, Great Lakes submitted a request for reconsideration of the November 19 Order and for partial stay of that order. Specifically, Great Lakes requested that the Commission vacate the requirement that Great Lakes file a cost and revenue study by February 4, 2010, and/or terminate Great Lakes' NGA section 5 rate investigation if the Commission ordered either such action in the Natural or Northern proceedings in response to their requests for rehearing in those proceedings. In addition, Great Lakes requested that the Commission stay that portion of the November 19 Order requiring Great Lakes to prepare a cost and revenue study until after the Commission acts on Natural and Northern's requests for rehearing.

5. Concurrently with this order, the Commission is issuing orders denying Natural and Northern's requests for rehearing, and dismissing Natural's request for a stay as moot. Accordingly, the Commission denies Great Lakes' requests.

6. On February 4, 2010, Great Lakes submitted a cost and revenue study to comply with the November 19 Order. Great Lakes stated that the base period for the study consisted of the 12 month period ended October 31, 2009, and indicated that the schedules therein included certain adjustments. Shell Energy North America (US) LP, the Industrials,⁴ BP Canada Energy Marketing Corp. and the American Public Gas Association responded asserting that by making adjustments to the base period data the filing did not comply with the November 19 order that required the study to include "actual" data for the 12 month period. Issues concerning the adequacy of the cost and revenue study submitted by Great Lakes and whether Great Lakes should be required to provide additional information as a part of the ongoing discovery process are more appropriately raised in, and should be resolved in, the hearing we have ordered.

³ See *Natural Gas Pipeline Company of America LLC*, 129 FERC ¶ 61,158 (2009), and *Northern Natural Gas Co.*, 129 FERC ¶ 61,159 (2009).

⁴The Industrials is comprised of the American Forest & Paper Association, Process Gas Consumers Group, and United States Gypsum Company.

The Commission orders:

Great Lakes' Request for Reconsideration and for Limited Stay is denied.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.