

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

November 30, 2005

In Reply Refer To:
Dominion Transmission, Inc.
Docket No. RP96-383-069

Dominion Transmission, Inc.
120 Tredegar Street
Richmond, VA 23219

Attention: Mabelle F. Grim
Manager, Pricing and Regulatory

Reference: Second Revised Sheet No. 1415 to FERC Gas Tariff,
Third Revised Volume No. 1

Dear Ms. Grim:

1. On November 3, 2005, Dominion Transmission, Inc. (Dominion) filed the referenced tariff sheet relating to an amended negotiated rate agreement between Dominion and Dominion Field Services, Inc (DFS). The only revision to the negotiated rate agreement is an increase in the retainage for fuel from 2.28 percent to 4.3 percent during the period January 1, 2006 through December 31, 2007. Dominion also requests the Commission grant any waivers which it may deem necessary to accept the referenced tariff sheet effective December 1, 2005 as requested. The Commission grants Dominion's request for waiver of the notice requirements, and accepts the referenced tariff sheet effective December 1, 2005.

2. Dominion states that the subject tariff sheet reports an existing negotiated rate transaction between Dominion and DFS under Dominion's Rate Schedule IT for the period May 1, 2001 through December 31, 2007 with various specified receipt points receiving Penn Virginia Oil and Gas Corporation (Penn Virginia) production on Dominion's dry gathering system located behind Dominion's Oscar Nelson Compressor Station for redelivery at Dominion's Appalachian Pooling South Point. Dominion further states that in lieu of the gathering retention rate, Dominion and DFS agreed that the rate for interruptible service under the IT Agreement shall be monetized. Dominion states that the Commission has previously approved this negotiated gathering rate for Penn

Virginia,¹ and as recently revised to reflect the transaction with Penn Virginia's pool operator, DFS.²

3. Notice of the filing was issued on November 8, 2005, providing for the filing of interventions and protests in accordance with section 154.210 of the Commission's regulations. Pursuant to Rule 214, all timely filed motions to intervene are granted and any motions filed to intervene out-of-time are granted as of the date of this order. Granting late interventions at this stage of the proceedings will not disrupt the proceedings or place undue additional burden on existing parties. The protest and alternative request for hearing filed by Equitable Production Company (EPC) is discussed below.

4. EPC contends that Dominion is unlawfully providing a discounted gathering rate to its affiliate DFS, while refusing to extend an identical rate to EPC. EPC states that it is similarly-situated with DFS as a shipper on DTI's gathering system and thus should receive the same gathering rate which DTI proposes to charge its affiliate DFS. In the alternative, if relief is not provided, EPC requests that the Commission set this matter for a full hearing.

5. EPC states that pursuant to a Commission approved settlement³ Dominion currently provides gathering service on behalf of EPC that will terminate on December 31, 2005. The settlement provides that EPC pay a gathering rate of \$0.31 per Dt plus a 2.28 percent retainage for fuel and lost and unaccounted for gas. EPC states that upon expiration of the settlement Dominion will charge EPC its "recourse rates," which are currently set at a 9.34 percent retainage rate for gathering (which includes 2.28 percent for fuel). EPC further states that the effects of Dominion's pending abandonment application filed in Docket No. CP06-10-000 would require the payment of a gathering rate for the first time in addition to Dominion's transportation rate.

6. EPC's request that Dominion be directed to provide EPC the same rate as it is charging DFS is outside the scope of this proceeding. EPC has not protested any aspect of the increase in the retainage rate that is the subject of this filing. Instead EPC only seeks to have the Commission require Dominion to provide the same rate to EPC after

¹ Unpublished letter order dated May 10, 2001 in *Dominion Transmission, Inc.*, Docket No. RP96-383-027.

² Unpublished letter order dated August 10, 2005 in *Dominion Transmission, Inc.*, Docket No. RP96-383-066.

³ *Dominion Transmission, Inc.*, 97 FERC ¶ 61,088 (2001).

the expiration of EPC's current contract with Dominion. If EPC believes that it is similarly situated and is entitled to the same rate, it may utilize the Commission's complaint procedures to pursue a remedy. Therefore, EPC's protest is denied without prejudice.

By direction of the Commission.

Magalie R. Salas,
Secretary.

cc: All parties