

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

May 4, 2006

In Reply Refer To:
Washington Gas Light Company
Docket No. PR06-11-000

Washington Gas Light Company
101 Constitution Avenue, NW, 3rd Floor
Washington, D.C. 20080

Attention: Keith Townsend
Senior Attorney

Reference: Compliance Filing

Dear Mr. Townsend:

1. On December 9, 2005, Washington Gas Light Company (Washington Gas) filed updated cost-of-service information to comply with a May 1, 2003 Order¹ which approved its petition for rate approval pursuant to section 284.123 of the Commission's Regulations² in Docket No. PR03-5-000. Washington Gas states that the instant filing concerns the rates it charges for firm interstate transportation service from its facilities in Virginia to the facilities of Allegheny Energy d/b/a Mountaineer Gas located in West Virginia, the sole user of this service. Washington Gas requests that the existing maximum rates for firm interstate transportation service remain in effect.³ We accept the

¹ *Washington Gas Light Co.*, 103 FERC ¶ 61,107 at P 5 (2003) (May 1, 2003 Order). Washington Gas' revised Firm Interstate Transportation Service Operating Statement included with its rate petition in Docket No. PR03-5-000 was approved by unreported Letter Order issued July 21, 2003 in Docket No. PR03-5-001.

² 18 C.F.R. § 284.123 (2005).

³ Washington Gas states that the existing, negotiated rates for firm interstate transportation service consist of a Demand Charge of \$2.1841 per Dth for the Maximum Daily Quantity (MDQ), a Commodity Charge of \$0.0051 per Dth, plus a retention charge for lost and unaccounted for gas. The Demand Charge of \$2.1841 per Dth and Commodity Charge of \$0.0051 per Dth are the maximum rates approved in the May 1, 2003 Order in Docket No. PR03-5-000.

December 9, 2005 filing as being in compliance with the Commission's May 1, 2003 Order and will permit the continuation of Washington Gas's currently effective maximum rates, subject to the conditions of this order.

2. As a condition of acceptance of Washington Gas's petition for rate approval in Docket No. PR03-5-000, the Commission, in the May 1, 2003 Order, directed Washington Gas to file an application under section 284.123(b)(2) on or before December 9, 2005, to justify its current rates or to establish new maximum rates.⁴ In compliance with the May 1, 2003 Order, on December 9, 2005, Washington Gas filed cost, revenue and throughput data in the form prescribed by section 154.313 of the Commission's regulations,⁵ based on Washington Gas's cost-of-service for the twelve months ending December 31, 2004, as adjusted for known and measurable changes. On March 27, 2006, in response to a March 13, 2006 data request of the Commission Staff, Washington Gas submitted a revised Schedule A reflecting a revised, increased overall cost-of-service.

3. Notice of Washington Gas's compliance filing was issued on March 2, 2006. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2005)). Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214 (2005)), all timely filed motions to intervene and any motions to intervene out-of-time filed before the issuance date of this order are granted. No protests or adverse comments were filed.

⁴ In an order issued May 5, 1987, as clarified on September 30, 1987, the Commission held that Washington Gas was eligible to be treated as a local distribution company that is subject to the jurisdiction of the Commission by virtue of its transportation of natural gas across the boundaries of the state jurisdictions in which it operates. Accordingly, the Commission issued Washington Gas a blanket Natural Gas Act (NGA) certificate under section 284.224 of the Commission's regulations to permit Washington Gas to perform interstate transportation services on the same basis as an intrastate pipeline under Part 284. *Washington Gas Light Co.*, 39 FERC ¶ 61,119 (1987), *reh'g and clarification* 40 FERC ¶ 61,361 (1987). The Commission lacks authority under section 5 of the NGA to direct a natural gas company such as Washington Gas that is subject to the NGA to file a new rate application in the absence of requisite findings under section 5. *See Consumers Energy Co.*, 94 FERC ¶ 61,287 (2001). Accordingly, the obligation of the May 1, 2003 Order is deemed only to consist of an obligation on Washington Gas to file cost, throughput, and revenue data to allow the Commission to determine whether any change in Washington Gas's maximum transportation rates should be ordered pursuant to section 5 of the NGA.

⁵ 18 C.F.R. § 154.313 (2005).

4. Based on our review of the cost-of-service information in the December 9, 2005 filing, as revised in Washington Gas's March 27, 2006 response to the Staff's data request, we find that Washington Gas has justified the continuation of its current maximum rates. The revised Schedule A shows a total cost-of-service for the twelve months ending December 31, 2004, of \$547,020. When this total cost-of-service figure is compared to total revenues of \$508,911 that Washington Gas reported for the same period,⁶ the result is a revenue deficiency for that period of \$38,109 at the current maximum rates. Accordingly, we will not exercise our authority under section 5 of the NGA to modify Washington Gas's existing maximum rates and will permit Washington Gas's existing maximum rates for firm interstate transportation service to remain in effect. Washington Gas shall be at risk for any underrecovery of its cost-of-service under the approved rates. On or before December 9, 2008, Washington Gas must file cost, throughput, revenue, and other data, in the form specified in section 154.313 of the Commission's regulations, to allow the Commission to determine whether any change in Washington Gas's interstate transportation rates should be ordered pursuant to section 5 of the NGA. This letter order does not relieve Washington Gas of its obligation to file the required reports under Part 284 of the Commission's regulations.

By direction of the Commission. Commissioner Brownell dissenting in part with a separate statement attached.

Magalie R. Salas,
Secretary.

⁶ See Schedule G of Washington Gas' December 9, 2005 filing.

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Washington Gas Light Company

Docket No. PR06-11-000

(Issued May 4, 2006)

Nora Mead BROWNELL, Commissioner *dissenting in part*:

I would not impose a requirement to file additional information to the reports already required by our regulations every three years.

Nora Mead Brownell