

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

January 19, 2007

In Reply Refer To:
Pine Needle LNG Company, LLC
Docket No. RP06-336-002

Pine Needle LNG Company, LLC
P.O. Box 1396
Houston, TX 77251-1396

Attention: Scott Turkington
Director, Rates & Regulatory

Reference: 2nd Sub Eleventh Revised Sheet No. 4 to FERC Gas Tariff, Original
Volume No. 1

Ladies and Gentlemen:

1. On December 22, 2006, Pine Needle LNG Company, LLC (Pine Needle) filed the referenced tariff sheet to place reduced rates into effect on an interim basis pending Commission action on a Stipulation and Agreement filed by Pine Needle on December 21, 2006 to settle its general rate case proceeding in this docket.¹ Pine Needle requests an effective date of November 1, 2006, the date Pine Needle placed its motion rates into effect. Waiver of the notice period is granted and the referenced tariff sheet is accepted effective November 1, 2006, subject to refund and the outcome of Pine Needle's rate proceeding in Docket No. RP06-336-000.

2. Pine Needle states that this filing fulfills a commitment it made during settlement negotiations to reinstate, on an interim basis, the rate levels that were in effect prior to initiating the rate case. Pine Needle requests that the Commission affirm its right to prospectively reinstate the motion rates should the Commission issue an order either not approving, or modifying the Stipulation and Agreement in a manner not acceptable to Pine Needle.

¹ *Order Accepting and Suspending Tariff Sheet Subject to Refund and Establishing a Hearing*, 115 FERC ¶ 61,275 (2006).

3. Pine Needle may reinstate its existing motion rates on a prospective basis upon the occurrence of the conditions in Pine Needle's request, provided that it gives shippers 30-days prior notice as required by section 4 of the Natural Gas Act. Additionally, consistent with precedent,² Pine Needle will be at risk for any under-collection resulting from the difference between the motion rates and the interim rates conditionally accepted by this order.

4. Public notice of this filing was issued on December 28, 2006, allowing for protests to be filed in accordance with section 154.210 of the Commission's regulations. No protests or adverse comments were filed.

By direction of the Commission.

Magalie R. Salas,
Secretary.

cc: All Parties

² *Southern Star Central Gas Pipeline, Inc.*, 110 FERC ¶ 61,026 (2005) and *Texas Gas Transmission Corporation*, 95 FERC ¶ 61,030 (2001).