

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

March 1, 2007

In Reply Refer To:
Williston Basin Interstate Pipeline
Company
Docket No. AC07-61-000

Williston Basin Interstate Pipeline Company
P.O. Box 5601
Bismark, ND 58506-5601

Attention: Keith A. Tiggelaar
Director of Regulatory Affairs

Reference: Request for Depreciation Rate, Docket No. AC07-61-000

Dear Mr. Tiggelaar:

1. On December 20, 2006, Williston Basin Interstate Pipeline Company (Williston Basin) submitted a request to establish a new depreciation rate for Account No. 336, Purification Equipment, and to correct its accounting for depreciation expense resulting from the reclassification of certain facilities to Account No. 336. For the reasons appearing below, Williston Basin's request is approved, subject to the determination in a subsequent rate proceeding of the lawfulness of such rate for the future.

2. Williston Basin proposes to establish a new depreciation rate for Account No. 336 in order to depreciate the cost of the gathering facilities now being booked to this account.¹ Williston Basin states that, until now, it has not used Account No. 336, and thus no depreciation rate has been established for facilities booked to that account. Williston Basin states that, beginning in September 2006, it began to install and place in service certain gathering facilities, or to transfer certain existing gathering facilities, that

¹ Williston Basin depreciates its investment in gas utility plant on a detailed plant account basis; therefore, each plant account has an approved depreciation rate as stipulated in Docket No. RP92-163, *et al. Williston Basin Pipeline Company*, 72 FERC ¶ 61,074, at 61,386 (1995).

should be booked to Account No. 336 in accordance with the Commission's Uniform System of Accounts. Williston Basin further states that it anticipates having a total of \$1,024,105 booked in Account No. 336 as of year-end 2006.

3. Williston Basin states that it currently has in place depreciation rates which were approved by the Commission in Docket No. RP00-107-000, *et al.* (July 3, 2003 Order).² Williston Basin proposes to establish 5.57 percent as the initial depreciation rate for facilities in Account No. 336 which reflects the 20-year economic life for gathering facilities approved by the Commission in the July 3, 2003 Order. Williston Basin states that some of the facilities it is transferring to Account No. 336 were originally booked in error to Account No. 333, Field Compressor Station Equipment. Effective with the date of this filing, Williston Basin will reverse the depreciation previously calculated and booked for those identified facilities for the duration that they were in service, but inappropriately booked to Account No. 333. Williston Basin states that it will then reflect the level of depreciation for Account No. 336 as calculated at the rate proposed herein (5.57 percent) back to the applicable in-service dates of those facilities. Williston Basin alleges that approval of the requested accounting treatment will allow it to be consistent with the accounting treatment for the depreciation of its gathering facilities as previously approved by the Commission.

4. Public notice of Williston Basin's filing was issued on January 17, 2007. No protests, comments, or requests to intervene were filed.

5. Upon review, the Commission approves the depreciation rate of 5.57 percent for Account No. 336 as proposed by Williston Basin. This is the same depreciation rate that was approved for other gathering facilities in Williston Basin's last rate case.³ This rate is subject to modification if it is determined in a subsequent section 4 or 5 rate proceeding under the Natural Gas Act involving Williston Basin that the rate here approved is not lawful for the future. In addition, the accounting treatment to be accorded the facilities reclassified from Account No. 333 to Account No. 336 is approved.

By direction of the Commission.

Magalie R. Salas,
Secretary.

² *Williston Basin Interstate Pipeline Co.*, 104 FERC ¶ 61,036 (2003).

³ *Id.* P 54 (*affirming* Administrative Law Judge's Initial Decision, *Williston Basin Interstate Pipeline Company*, 95 FERC ¶ 63,008, at 65,095-104 (2001)).