

127 FERC ¶ 61,202
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

May 29, 2009

In Reply Refer To:
Midwestern Gas Transmission
Company
Docket No. RP09-554-000

Midwestern Gas Transmission Company
100 West Fifth Street
Tulsa, OK 74103-4298

Attention: Joseph W. Miller
Associate General Counsel

Reference: Decrease in Depreciation Rates and Limited Waiver of Filing Requirements

Ladies and Gentlemen:

1. On April 29, 2009, Midwestern Gas Transmission Company (Midwestern) filed revised tariff sheets¹ reflecting a proposed increase in the depreciable life and the addition of Park and Loan (PAL) rates for its Eastern Mainline facilities, as well as ministerial changes. As a result of the altered depreciation rate, Midwestern requests approval for reduced firm and interruptible transportation rates on the affected facilities. Midwestern also requests a limited waiver of the filing requirements delineated in 18 C.F.R. § 154.313 (2008) for accompanying schedules and statements supporting minor rate changes. In addition, Midwestern requests a waiver of the Commission's 30-day notice requirement to allow the revised tariff sheets to become effective on May 1, 2009. The Commission grants the requested waivers and accepts Midwestern's revised tariff sheets, listed in footnote no. 1, effective May 1, 2009, as proposed.

¹ Fourteenth Revised Sheet No. 5, Second Revised Sheet No. 5A, Eighth Revised Sheet No. 203, and Tenth Revised Sheet No. 204 to its FERC Gas Tariff, Third Revised Volume No. 1.

2. On March 10, 2006, the Commission issued a certificate of public convenience and necessity² authorizing Midwestern to construct and operate the Eastern Mainline. Midwestern completed construction and placed the Eastern Mainline into service on January 7, 2008. In the order, the Commission approved Midwestern's requested depreciable life of 20 years and depreciation rate of 5 percent, which was predicated on the fact that the foundation shipper, Piedmont Natural Gas Company (Piedmont), entered into a 15-year negotiated rate agreement for the entire available capacity.

3. Following the in-service date of the Eastern Mainline facilities, Midwestern made several enhancements to its system to access additional markets and supplies. In particular, Midwestern modified certain compressor stations to allow bi-directional flows, and a planned interconnection to the Rockies Express Pipeline, which is near completion. As a result, the Eastern Mainline facilities have become more closely integrated with Midwestern's Mainline facilities. Midwestern proposes an increase in the depreciable life of the Eastern Mainline facilities from 20 years to 52 years and a reduction in the depreciation rate from 5 percent to 1.9 percent; which is consistent with the Mainline facilities. The proposed 1.9 percent depreciation rate will reduce Midwestern's Rate Schedule FT-B from \$3.2854 Dth (reservation) to \$3.0190 Dth (reservation). Midwestern reduces the derivative, 100-percent load factor IT-Eastern Mainline rate from \$0.1080 Dth to \$0.0993 Dth. Midwestern asserts that Piedmont supports the proposed changes to the depreciation rate.

4. In addition to extending the depreciable life of the Eastern Mainline, Midwestern proposes to establish a separate PAL rate for the Eastern Mainline facilities. Midwestern states that because the line is fully subscribed, it did not anticipate providing PAL services on the Eastern Mainline. However, Midwestern now seeks to distinguish between its PAL-Mainline and PAL-Eastern Mainline rates. Midwestern proposes a PAL-Eastern Mainline maximum rate of \$0.0993 Dth, which is based on a 100-percent load factor derivative of the proposed monthly reservation rate for Rate Schedule FT-B service. Midwestern is also making ministerial changes to its tariff by adding clarifying definitions for "Eastern Mainline" and "Mainline" to its General Terms & Conditions.

5. Notice of Midwestern's filing issued on May 4, 2009. Interventions and protests were due as provided in section 154.210 of the Commission's regulations, 18 C.F.R. § 154.210 (2008). Pursuant to Rule 214, 18 C.F.R. § 385.214 (2008), all timely filed motions to intervene and any motions to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt this proceeding or place additional burdens on existing parties. No party filed a protest or adverse comments.

² *Midwestern Gas Transmission Company*, 114 FERC ¶ 61,257 (2006).

6. For good cause shown, the Commission grants Midwestern's request for a limited waiver of 18 C.F.R. § 154.313 (2008) for schedules for minor rate changes. Midwestern's rate filing is limited to implementing a reduction to both the depreciation rate for the Eastern Mainline facilities and the applicable incremental, recourse rate under Rate Schedule FT-B. Granting this waiver allows Midwestern's proposed depreciation rate change to be reviewed without submitting unassociated schedules or statements and is consistent with previous Commission action.³ The proposed rate change will not adversely impact the rates of Piedmont or any other Midwestern shipper.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

cc: Public Files
All Parties

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³ *Panhandle Eastern Pipe Line Company*, 75 FERC ¶ 61,330, at p. 62,063 (1996).