

146 FERC ¶ 61,236
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

March 28, 2014

In Reply Refer to:
Chandeleur Pipe Line, LLC
Docket No. RP14-438-000

Chandeleur Pipe Line, LLC
c/o Chevron Pipe Line Company
4800 Fournace Place
Bellaire, TX 77401-2324

Attention: Alyssa Schindler, Esquire
Counsel, Chandeleur Pipe Line, LLC

Dear Ms. Schindler:

1. On February 3, 2014, Chandeleur Pipe Line, LLC (Chandeleur) filed a Petition for approval of Settlement (Settlement). Chandeleur filed the Settlement in lieu of a general rate case.¹ The Settlement establishes the rates to be charged by Chandeleur for transportation services. As discussed below, the Commission approves the Settlement effective April 1, 2014.

2. In the Settlement, Chandeleur proposes to increase its rates as a result of increases in Chandeleur's operating costs. The Settlement will result in an increase from \$7.2940/dth to \$12.0604/dth for the monthly reservation charge for transportation service under Rate Schedule FT and an increase from \$0.2400/dth to \$0.3965/dth for service under Rate Schedule IT. The principal terms of the Settlement are summarized below.

3. Articles I and II provide background information on the pipeline and the procedural history leading to the current Settlement. Article III of the Settlement provides that the rates reflected on Appendix A will be effective on April 1, 2014. Article III also provides that the Settlement will be effective the first day of the first month following the date on which the Commission issues a final order approving the

¹ Chandeleur is required to file a general Natural Gas Act (NGA) section 4 rate case on or before on or before April 1, 2014. See *Chandeleur Pipe Line Co.*, 127 FERC ¶ 61,026 (2009).

Settlement. Article III also states that the overall cost-of-service underlying the Settlement rates has been determined on a negotiated “black box” basis, which utilized a traditional cost-of-service rate methodology reflecting a depreciation rate of 1.70 percent for transmission plant and 0.54 percent for negative salvage.

4. Article IV of the Settlement states Chandeaur’s rates for firm transportation service and interruptible transportation service are developed utilizing the straight fixed variable rate design. Article V and VI provide that the Settlement rates are to become effective April 1, 2014, and that Chandeaur may not make any further section 4 rate case filings that would become effective prior to April 1, 2017. Articles VII, VIII, IX, and X describe the standard conditions under which the Settlement was negotiated and under which it is to become effective.

5. Public notice of the filing was issued on February 4, 2014. Interventions and protests were due as provided in section 154.210 of the Commission’s regulations.² Pursuant to Rule 214,³ all timely filed motions to intervene and any unopposed motion 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 the proceeding or place additional burdens on existing parties. No protests or adverse comments were filed.

6. The Commission finds that the Settlement is fair and reasonable and in the public interest, and therefore, the Commission approves the Settlement pursuant to Rule 602(g).⁴ The Commission’s approval of this Settlement does not constitute approval of, or precedent regarding, any principle or issue in the instant proceeding.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

² 18 C.F.R. § 154.210 (2013).

³ 18 C.F.R. § 385.214 (2013).

⁴ 18 C.F.R. § 385.602(g) (2013).