

153 FERC ¶ 61,293
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

December 14, 2015

In Reply Refer To:
Equitrans, L.P.
Docket No. RP16-54-000

Equitrans, L.P.
625 Liberty Avenue, Suite 1700
Pittsburgh, PA 15222

Attention: Paul W. Diehl, Esq.

Dear Mr. Diehl:

1. On October 15, 2015, pursuant to Rule 207(a)(5) of the Commission's Rules of Practice and Procedure,¹ Equitrans, L.P. (Equitrans) filed in Docket No. RP16-54-000 a Petition for Approval of Stipulation and Agreement of Settlement in lieu of submitting a general rate change filing. On November 24, 2015, Equitrans filed a Revised Stipulation and Agreement of Settlement (Settlement). The Settlement is uncontested. As discussed below, the Commission approves the Settlement, with the rates thereunder to become effective December 1, 2015. The principal terms of the Settlement are summarized below.

2. According to Equitrans, the Settlement is in response to the private letter ruling that EQT Corporation, Equitrans' parent company, received from the Internal Revenue Service (IRS) regarding the accumulated deferred income tax (ADIT) related to its like kind exchange of assets with PNG Companies LLC. Equitrans states that approval of the Settlement will allow Equitrans to continue receiving favorable tax treatment of depreciation under the Modified Accelerated Cost Recovery System of Section 168 of the Internal Revenue Code, which will in turn allow Equitrans to continue to provide a favorable rate structure that benefits its customers. Equitrans further states that the Settlement will only affect the recourse rate of shippers on its Allegheny Valley Connector system.

¹ 18 C.F.R. § 385.207(a)(5) (2015).

3. Article I of the Settlement, captioned “Settling Parties and Contesting Parties” defines a Settling Party, and Equitrans states that it is not aware of and does not expect there to be any with regards to the Settlement, a Contesting Party.
4. Article II of the Settlement explains the rate modifications proposed to be effective December 1, 2015, that will occur for service under Rate Schedules FTS, FTSS, ITS, GSS, INSS, LPS, and IBS on the Allegheny Valley Connector System, as well as system-wide rates for service under Rate Schedule IWS, to reflect the elimination of the ADIT balances in conformance with its IRS private letter ruling..
5. Article III of the Settlement addresses the conditions for establishing the effectiveness of the Settlement and provides for the circumstances where a Settling Party may withdraw its consent. Settling Parties are not entitled to refunds under the Settlement. As proposed under Article III of the Settlement, Equitrans will file actual tariff records consistent with the *pro forma* tariff records attached at Appendix E to the Settlement within 30 days after issuance of a Final Order (as defined in Article II of the Settlement).
6. Article IV of the Settlement sets forth a series of reservations intended to clarify the parties’ rights under the Settlement. Section 4.3, which specifies the standard of review applicable to proposed modifications to the Settlement, states:

The standard of review for any changes made by Equitrans or a Settling Party identified in Appendix A to the terms of this Settlement during the term of this Settlement shall be the “public interest” standard or “more stringent” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Co.* and *Federal Power Commission v. Sierra Pacific Co.* To the extent the Commission, acting sua sponte, or any non-settling third party considers any changes to any then-effective provision(s) of the Settlement, the standard of review for any such proposed change shall be the “just and reasonable” standard of the Natural Gas Act.

7. Public notice of the Settlement was issued on October 19, 2015. 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

² 18 C.F.R. § 154.210 (2015).

³ 18 C.F.R. § 385.214 (2015).

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.

8. The Commission finds that the Settlement appears to be fair and reasonable and in the public interest, and accordingly the Commission approves the Settlement, with the rates thereunder to become effective December 1, 2015, pursuant to its terms. The Settlement, which was filed in lieu of a rate case, resolves system-wide rate issues consistent with the Commission's guidance for settlements outside the context of an existing proceeding.⁴ The Commission's approval of this Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.

9. Within 30 days of the date of this order, Equitrans must file tariff records in eTariff format in this docket, in order to implement the *pro forma* tariff records proffered with the Settlement.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁴ See, e.g., *Dominion Transmission, Inc.*, 111 FERC ¶ 61,285 (2005).