

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

July 15, 2005

In Reply Refer To:
Energy Transfer Fuel LP
Docket Nos. PR05-10-000
PR05-10-001

Lemle & Kelleher L.L.P.
21st Floor, Pan-American Life Center
601 Poydras Street
New Orleans, LA 70130

Attention: Amy Baird
Counsel for Energy Transfer Fuel LP

Reference: Stipulation and Agreement

Ladies and Gentlemen:

1. The Stipulation and Agreement (Settlement) filed by Energy Transfer Fuel LP (ET Fuel) on July 6, 2005, reasonably resolves the issues in this proceeding, produces fair and equitable rates, and is therefore approved.

2. The following is a summary of the major provisions of the Settlement:

- a. Effective February 18, 2005, the maximum fair and equitable rate for Natural Gas Policy Act (NGPA) section 311 transportation services performed on ET Fuel's intrastate pipeline system is a maximum interruptible rate of \$0.215 per MMBtu. ET Fuel shall be authorized to retain gas from shippers equal to 1.30% of receipts to compensate ET Fuel for compressor fuel, company use and unaccounted-for gas, effective February 18, 2005.
- b. The provisions of the Settlement shall not become effective unless and until the Commission issues an order accepting and approving all terms and conditions of the Settlement and such order becomes final and no longer subject to rehearing.
- c. ET Fuel agrees to file a rate petition under section 311 of the NGPA on or before February 18, 2008, to allow the Commission to

determine whether ET Fuel's transportation rates remain fair and equitable.

- d. ET Fuel represents that it has not charged rates in excess of those rates specified in 2.a above subsequent to February 18, 2005 for NGPA section 311 service performed on its system. Accordingly, no refunds are due.
3. Initial comments on the Settlement were due by July 11, 2005, and reply comments were due by July 12, 2005. No comments were received.
 4. This letter order does not relieve ET Fuel of its obligations to file the required reports under Part 284 of the Commission's regulations. The Commission's approval of this Settlement does not constitute precedent regarding any principle or issue in this proceeding.

By direction of the Commission. Commissioner Brownell concurring with a separate statement attached.

Linda Mitry,
Deputy Secretary.

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Energy Transfer Fuel LP

Docket Nos. PR05-10-000
PR05-10-001

(Issued July 15, 2005)

BROWNELL, Commissioner, concurring:

For the reasons set forth in Green Canyon Pipe Line Company, L.P. in Docket No. PR01-15-001, I would not impose a triennial rate approval requirement on Section 311 pipelines. Here, Energy Transfer Fuel LP has agreed to make a triennial rate approval filing as part of an overall settlement. Therefore, I agree with the result of this order which is to approve an uncontested settlement.

Nora Mead Brownell
Commissioner