

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

August 16, 2005

In Reply Refer To:
Enbridge Pipelines (KPC)
Docket Nos. RP04-36-000 and
RP04-36-001

Enbridge Pipelines (KPC)
1100 Louisiana, Suite 3300
Houston, TX 77002

Attention: Cynthia A. Corcoran, Senior Counsel and
Chief Compliance Officer

Reference: Uncontested Offer of Settlement

Ladies and Gentlemen:

1. On September 17, 2004 Enbridge Pipelines (KPC) (Enbridge KPC), the Kansas Corporation Commission (KCC), the Missouri Public Service Commission (MoPSC), Missouri Gas Energy, Inc. (MGE), and Kansas Gas Service, a Division of ONEOK Inc. (KGS), filed pursuant to Rule 602 of the Commission's Rules of Practice and Procedure, an uncontested Offer of Settlement intended to resolve all issues in this proceeding. The September Settlement provides for refunds of \$44,946, plus interest. The Settlement is the result of negotiations between Enbridge KPC and the four other parties to this proceeding. The Settlement provides for a fair and reasonable resolution of all issues in Docket No. RP04-36-000, and its approval and implementation are in the public interest.

2. On October 31, 2003, Enbridge KPC filed its Annual Excess Interruptible Revenue Refund Report for the twelve months ending September 30, 2003, as required by section 24.5 of the General Terms and Conditions (GT&C) of its tariff. Enbridge KPC proposed to provide refunds, in the form of demand charge credits, totaling \$19,152. The KCC and MoPSC protested the October 31 filing, and raised certain issues concerning the calculation of refunds. By letter order issued June 2, 2004,¹ the Commission directed Enbridge KPC to file a detailed response to the KCC and MoPSC protests. By letter dated

¹107 FERC ¶ 61,244 (2004).

July 27, 2004, Enbridge KPC informed the Commission of an agreement in principal to resolve all issues in the captioned proceeding, and noted such agreement would alleviate the need for a response to the KCC and MoPSC protests. On September 17, 2004, Enbridge KPC, the KCC, the MoPSC, MGE, and KGS co-sponsored and filed the unopposed Settlement.

3. Article I of the Settlement describes the refunds. KGS will receive \$20,766, and MGE will receive \$24,180, with interest. Enbridge KPC will provide refunds within 10 days of the Commission's order with interest calculated from September 1, 2004, at the Commission-approved interest rate set forth in 18 C.F.R § 154.501(d) (2005).

4. Article II describes the implementation of the provisions in the Settlement. Specifically, Enbridge KPC will provide refunds as set forth in Article I following issuance of a Commission order (1) accepting and approving the Settlement as to all its terms and conditions without modification, and (2) waiving the requirements of the Commission's Regulations under the Natural Gas Act to the extent necessary to permit the provisions of this Settlement to be effective.

5. Article III provides that the instant agreement will terminate the proceedings in Docket No. RP04-36 upon the implementation of the Settlement. In addition, the Settlement will be of no effect if not accepted and approved by the Commission in its entirety. The Settlement provides that the Settlement represents a comprehensive settlement of all issues in Docket No. RP04-36-000.

6. The Commission finds that the Settlement is fair, reasonable and in the public interest. The Commission's approval of the Settlement does not constitute approval of, or precedent regarding, any principle or issue in these proceedings. We direct Enbridge KPC to provide refunds as provided in Article I of the Settlement.

7. This order terminates the proceedings in Docket Nos. RP04-36-000 and RP04-36-001.

By direction of the Commission.

Linda Mitry,
Deputy Secretary.

cc: All Parties