

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

March 31, 2006

In Reply Refer To:
Columbia Gas Transmission Corporation
Docket No. RP06-259-000

Columbia Gas Transmission Corporation
12801 Fair Lakes Parkway
Fairfax, VA 22033

Attention: Thomas D. Stone
Manager, Rates and Tariffs

Reference: Annual Fuel Retainage Adjustment Mechanism (RAM) Filing

Dear Mr. Stone:

1. On March 1, 2006, Columbia Gas Transmission Corporation (Columbia) filed Sixteenth Revised Sheet No. 44 to its FERC Gas Tariff, Second Revised Volume No. 1, pursuant to section 35 of its General Terms and Conditions. The tariff sheet reflects Columbia's revised annual fuel retainage percentages for transportation, gathering, and storage services, to become effective April 1, 2006. One party filed comments to Columbia's filing. The Commission will accept and suspend Sixteenth Revised Sheet No. 44 to become effective April 1, 2006, subject to refund and to further review as discussed below.
2. Columbia's workpapers reflect that its proposed transportation retainage percentage has increased from the current level of 2.007 percent to 2.083 percent, an increase of 0.076 percent. In addition, Columbia proposes an increase in the gathering retainage percentage from 0.612 percent to 0.783 percent, an increase of 0.171 percent. The storage gas loss retainage will remain at the current level of 0.160 percent. With respect to the lost and unaccounted-for gas (LAUF) portions of the transportation retainage percentage, Columbia states that it has included an estimated level of 8.1 MMDth which is consistent with its actual LAUF experience for calendar year 2005 of 8.1 MMDth. Lastly, Columbia has included workpapers which set forth its actual experience during the deferral period for transportation, gathering and storage. Columbia provides that it over recovered fuel under its transportation rate schedules while under recovering fuel associated with gathering and storage rate schedules.

3. Public notice of the filing was issued on March 8, 2006. Interventions and protests were due as provided in section 154.210 of the Commission's regulations. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2005), any timely filed motion to intervene and 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. Virginia Natural Gas, Inc. and Pivotal Utility Holdings, Inc. (VNG) filed comments to Columbia's filing.

4. In its comments, VNG contends that Columbia has offered no explanation for the increase in estimated fuel used in the calculation of Columbia's fuel retainage percentages and that Columbia's workpapers do not provide data to compare last year's actual fuel use to this year's estimated fuel use, thus making it difficult to surmise why the retainage percentage has increased. VNG requests that the Commission require Columbia to file supporting data to explain the increase in the retainage percent.

5. The Commission agrees that Columbia has not provided sufficient explanation to support the increase in its fuel retainage percentages, in light of its over-recovery of fuel in the prior period. Therefore, within 15 days of the date of this order, Columbia is required to provide additional information to support the increase in the retainage percentages. Specifically, Columbia is required to: 1) provide data to compare its fuel use in 2005 to its estimated fuel use for 2006; and, 2) include workpapers detailing the calculation of its "Fuel and Other Company Use" gas found on Lines 2-4 of Appendix A, Sheet 2 of 5.

By direction of the Commission.

Magalie R. Salas,
Secretary.