

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D.C. 20426

August 30, 2006

In Reply Refer To:
Crosstex LIG, LLC
Docket Nos. PR06-14-000 and PR06-14-001

Bracewell & Giuliani, LLP
2000 K Street, NW Suite 500
Washington, DC 20006

Attention: Joel F. Zipp
Attorney for Crosstex LIG, LLC

Reference: Settlement Agreement

Dear Mr. Zipp:

1. On July 28, 2006, Crosstex LIG, LLC (CLIG) filed a Statement of Stipulation and Agreement of Settlement (Settlement) pursuant to Rule 602 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.602 (2006). The Settlement resolves all rate issues with regard to the rate petition filed by CLIG on April 3, 2006.
2. The following is a summary of the major provisions of the Settlement:
 - a. Effective April 3, 2006, the fair and equitable system-wide maximum rates for transportation service pursuant to section 311 of the Natural Gas Policy Act of 1978 (NGPA) performed on CLIG's pipeline shall consist of: a maximum interruptible transportation rate of \$0.2950 per MMBtu; maximum firm transportation rates, consisting of a usage rate of \$0.0400 per MMBtu and a maximum monthly demand rate of \$7.7600 per MMBtu; and a maximum overrun rate of \$0.2950 per MMBtu. In addition, CLIG will continue to retain from its shippers on the CLIG system a pro rata share of gas consumed by CLIG as compressor fuel, company use and unaccounted-for gas, subject to a 2% maximum.

- b. Within 30 days of the date of this order, CLIG will refund to each shipper any payments, including interest, in excess of the Settlement rates during the period extending from April 3, 2006, until the date of this order.
 - c. On or before March 3, 2009, CLIG will file a petition for rate approval pursuant to section 284.123(b)(2) of the Commission's regulations to justify its current rates and fuel charge or establish new rate(s) and fuel charge applicable to NGPA section 311 transportation service.
 - d. This Settlement, unless and until accepted and approved in its entirety, shall be privileged and of no effect.
 - e. This represents a negotiated settlement of the issues in this proceeding. Neither CLIG, the Commission and its Staff, nor any other party shall be deemed to have approved, accepted, agreed, or consented to any principle or issue in this proceeding.
3. A shortened comment period was established with initial comments to be filed on or before August 9, 2006, and reply comments to be filed on or before August 16, 2006. No adverse comments or protests were filed.
4. Pursuant to section 385.602(g)(3) of our settlement rules, 18 C.F.R. § 385.602(g)(3) (2006), the Commission finds that the uncontested settlement is fair and reasonable and in the public interest, and therefore the Settlement is approved. This letter order does not relieve CLIG of its obligation to file the required reports under Part 284 of the Commission's regulations. The Commission's approval of this settlement does not constitute a precedent regarding any principle or issue in this proceeding.

By direction of the Commission.

Magalie R. Salas,
Secretary.