

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

September 14, 2006

In Reply Refer To:
Crosstex North Texas Pipeline, L.P.
Docket No. PR06-16-000

Hunton & Williams LLP
1601 Bryan Street, 30th Floor
Dallas, TX 75201

Attention: Mr. John E. Moeller, Jr.
Attorney for Crosstex North Texas Pipeline, L.P.

Reference: Petition for Rate Approval

Dear Mr. Moeller:

1. On April 19, 2006, Crosstex North Texas Pipeline, L.P. (CNTP) filed, pursuant to section 311(a) of the Natural Gas Policy Act (NGPA) and section 284.123(b)(1)(i)(A) of the Commission's regulations, an election to use transportation rates derived from its currently effective State of Texas firm sales rate schedules for city gate service. Specifically, CNTP seeks to use a transportation rate of \$0.30 per MMBTU plus a 0.50 percent retainage for lost and unaccounted-for gas and system fuel for its transportation services. The Commission finds that the transportation rate of \$0.30 per MMBtu and the 0.50 percent fuel retainage factor are fair and equitable. Consequently, the Commission accepts CNTP's rate election, subject to conditions. CNTP also filed a Statement of Operating Conditions (Operating Statement) as required by section 284.123(e). The Operating Statement is accepted for filing.

2. CNTP is an intrastate pipeline company operating approximately 140 miles of pipe, most of which is either 24 or 6 inches in diameter, located in Texas. CNTP's facilities currently provide delivery to major natural gas distributors for ultimate sale to local consumer and business markets in the North Texas area. CNTP states that delivery points are being constructed to Natural Gas Pipeline Co. of America and Houston Pipe Line Co., which serve other markets in Texas as well as throughout the United States.

3. On September 13, 2005, CNTP filed with the Railroad Commission of Texas (TRC) an application for review of the reasonableness of the transportation component of a natural gas sales rate being charged under an existing gas sales contract.¹ By order issued January 10, 2006, the TRC found that CNTP's requested transportation rate of \$0.30 per MMBtu and the 0.50 percent retainage for lost and unaccounted-for gas and system fuel for the transportation component of a natural gas sales rate are fair and equitable, and not in excess of a cost-based rate.²

4. Public notice of CNTP's filing was issued on April 7, 2006. Interventions and protests were due as provided in section 154.210 of the Commission's regulations, 18 C.F.R. § 154.210 (2006). Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2006), all timely filed motions to intervene and any motions to intervene out-of-time filed before the issuance date of this order are granted. No protests were filed.

5. On or before April 19, 2009, CNTP shall file a rate petition, pursuant to section 284.123(b) of the Commission's regulations, to justify its current rates or to establish new rates. This letter order does not relieve CNTP of its obligation to file the required reports under section 284 of the Commission's regulations.

By direction of the Commission.

Magalie R. Salas,
Secretary.

¹ CNTP filed testimony and exhibits with the TRC in Gas Utilities Docket No. 9613. All of these documents are included in the instant filing as Exhibit A.

² The requested transportation rate of \$0.30 per MMBtu is lower than the cost-based transportation rate of \$0.374 per MMBtu as filed in the Railroad Commission of Texas Docket No. 9613. The \$0.374 per MMBtu is based on CNTP's total cost of providing transportation service of \$20,492,376, and a total throughput of 54,786,500 MMBtu.