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Docket Nos. RP13-184, RP13-185

FERC Opens Investigations into Rates on Two Interstate Gas Pipelines

The Federal Energy Regulatory Commission (FERC) today opened investigations into rates charged by two interstate natural gas companies - Wyoming Interstate Company (WIC) and Viking Gas Transmission Company - to determine if they are over-recovering their costs, resulting in unjust and unreasonable rates for customers.

Today's orders give each company 75 days to file a full cost and revenue study. The investigations stem from Form 2 cost and revenue information provided by WIC and Viking for 2010 and 2011. FERC staff's analysis of this information indicates that current rates may allow the companies to recover revenue substantially more than their actual costs of service.

- **WIC** provides firm and interruptible natural gas transportation services through approximately 800 miles of pipeline with a design capacity of 3.34 Bcf/day. It operates as one of the primary interstate systems providing takeaway capacity from the Overthrust, Piceance, Uinta, Green River and Powder River Basins in Wyoming, Utah and Colorado. The company's current rates were established as part of a settlement approved by the Commission in September 2000. Based on the Form 2 reports, FERC staff estimates WIC's return on equity (ROE) to be 19.55 percent for 2010 and 18.51 percent for 2011.
- **Viking** has a design capacity of 0.5 Bcf/day and provides firm and interruptible natural gas transportation services. The system receives Canadian natural gas at the Manitoba/Minnesota border and connects with four major pipelines serving markets in North Dakota, Minnesota and central Wisconsin. Its current rates were established in a settlement approved by the Commission in November 2002. Based on review of Viking's Form 2 reports, FERC staff estimates the company's ROE to be 21.39 percent for 2010 and 21.75 percent for 2011.

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