

194 FERC ¶ 61,220
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Laura V. Swett, Chairman;
David Rosner, Lindsay S. See,
Judy W. Chang, and David LaCerte.

Palo Duro Transmission L.P. and
Palo Duro Pipelines (Texas Gathering), L.P.

Docket Nos. CP25-531-000

Palo Duro Transmission L.P.

CP25-531-001

ORDER ISSUING CERTIFICATES

(Issued March 19, 2026)

1. On August 1, 2025, as amended on December 22, 2025, Palo Duro Transmission L.P. (PD Transmission) and Palo Duro Pipelines (Texas Gathering), L.P. (PD Gathering) (collectively, Applicants) filed a joint application pursuant to section 7(c) of the Natural Gas Act (NGA)¹ and Parts 157 and 284 of the Commission's regulations² for approval of a lease agreement under which PD Transmission will lease transportation capacity on PD Gathering's non-jurisdictional gathering system in Texas and Oklahoma and provide service thereon under PD Transmission's proposed FERC Gas Tariff. Specifically, PD Transmission requests a certificate of public convenience and necessity authorizing it to operate and maintain its existing pipeline as a jurisdictional interstate pipeline and to acquire by lease capacity sufficient to provide 80,000 Dekatherms per day (Dth/d) of firm transportation service on PD Gathering's system (collectively, project) and blanket certificates under Part 284, Subpart G and Part 157, Subpart F. Additionally, PD Gathering requests a limited jurisdiction certificate to allow for PD Transmission's transportation of gas through PD Gathering's non-jurisdictional gathering facilities. No party opposes the application. As discussed below, we grant the requested authorizations, subject to certain conditions.

¹ 15 U.S.C. § 717f(c).

² 18 C.F.R. pts. 157, 284 (2025).

I. Background and Proposal

2. PD Transmission is a Texas limited partnership. Upon commencing the operations proposed in its application, it will become a natural gas company as defined by section 2(6) of the NGA,³ engaged in the transportation of natural gas in interstate commerce, and will be subject to the Commission's jurisdiction under the NGA. PD Gathering is a Delaware limited partnership that owns and operates natural gas gathering facilities.⁴

3. PD Gathering owns and operates the non-jurisdictional Anadarko Gathering System in Texas and Oklahoma, which consists of over 3,000 miles of 2- to 20-inch diameter pipeline and connects to approximately 2,750 natural gas production wells and multiple processing plants. The gathering system includes the 150-mile-long, 16- and 20-inch diameter Header Pipeline, which extends from Washita County, Oklahoma, to Roberts County, Texas, and interconnects with multiple interstate and intrastate pipelines along its length.⁵ The Header Pipeline includes one 6,150 horsepower (hp) booster compression station in Wheeler County, Texas, and one gathering station, which facilitates the delivery of wellhead gas directly into the Header Pipeline.⁶

4. PD Transmission operates the currently non-jurisdictional PD Pipeline, an approximately 275-mile-long, 16-inch-diameter natural gas pipeline located entirely within Texas, which extends from its southern terminus in Nolan County to an interconnection with the Header Pipeline in Wheeler County. The PD Pipeline includes one 2,000 hp compressor station in Childress County, Texas, and is capable of transporting up to 80,000 Dth/d. As currently configured, the PD Pipeline gathers natural gas owned by PD Gathering for processing and delivery into the Header Pipeline. Beginning in 2026, PD Gathering plans to shift the processing of the gas currently gathered along the PD Pipeline to be processed instead in the Midland Basin, closer to its

³ 15 U.S.C. § 717a(6).

⁴ Application at 6. Both applicants are wholly owned, indirect subsidiaries of Palo Duro Midstream, LLC, which is a wholly owned, indirect subsidiary of Producers Midstream II, LLC (Producers).

⁵ The interconnecting pipelines include those owned by: PD Transmission, Northern Natural Gas Company; Transwestern Pipeline Company, LLC; Natural Gas Pipeline Company of America LLC; ANR Pipeline Company; Panhandle Eastern Pipe Line Company, LP; Enable Oklahoma Intrastate Transmission, LLC; Enable Gas Transmission, LLC; and Southern Star Central Gas Pipeline, Inc.

⁶ Application at 6. A gathering station is a centralized facility that collects wellhead gas for delivery into another pipeline.

production, thereby eliminating the source of much of the gas currently transported on the PD Pipeline.⁷

5. PD Transmission proposes to lease from PD Gathering capacity on the Header Pipeline sufficient to provide 80,000 Dth/d of firm transportation service beginning on the first date of the month following receipt of all regulatory approvals and running for 10 years.⁸ Following execution of the lease, PD Transmission would use the northernmost 61 miles of the PD Pipeline in Childress, Collingsworth, and Wheeler Counties, Texas, including the compressor station in Childress County, Texas, together with the leased capacity, to provide new interstate transportation service.⁹ Specifically, the pipeline would be capable of providing up to 80,000 Dth/d of firm transportation service from intrastate pipelines connected to the PD Pipeline to various interconnected interstate and intrastate pipelines in Texas and Oklahoma. This northern portion of the PD pipeline will then become jurisdictional. PD Transmission proposes initial maximum recourse reservation and usage rates set forth under Rate Schedules FTS (Firm Transportation Service) and ITS (Interruptible Transportation Service), and requests approval of its proposed *pro forma* FERC Gas Tariff.

6. PD Transmission also requests a Part 284, Subpart G blanket certificate of public convenience and necessity pursuant to section 284.221 of the Commission's regulations, authorizing it to provide transportation service to customers requesting and qualifying for transportation service under its proposed FERC Gas Tariff, with pre-granted abandonment authorization,¹⁰ and a blanket certificate of public convenience and necessity, pursuant to section 157.204 of the Commission's regulations, authorizing future facility construction, operation, and abandonment as set forth in Part 157, Subpart F of the Commission's regulations.¹¹

⁷ Application at 11.

⁸ *Id.* at Ex. I.

⁹ On December 22, 2025, PD Transmission filed an amendment to its August 1, 2025, application, explaining that it had determined only a portion of the existing PD Pipeline was required to provide the contemplated interstate service. Amended Application at 2. PD Transmission plans to sell the southern portion of the PD Pipeline to an affiliate, which will continue to operate the southern portion as a gathering system. *Id.* at 3.

¹⁰ 18 C.F.R. § 284.221.

¹¹ *Id.* § 157.204.

7. PD Gathering requests a limited jurisdiction certificate to facilitate the lease. PD Gathering states that it is a non-jurisdictional natural gas gatherer and its role in the project will be limited to leasing capacity to PD Transmission for its use in providing interstate service.¹²

8. PD Transmission conducted a binding open season from June 30, 2025, to July 14, 2025, for the proposed new interstate transportation service.¹³ As a result of the open season, PD Transmission executed a binding precedent agreement with Scurry Downstream, LLC, for 100% of the project's total capacity.¹⁴

II. Notice

9. Notice of the application was published in the *Federal Register* on August 20, 2025, with comments, interventions, and protests due on September 5, 2025.¹⁵ Notice of the amendment to the application was published in the *Federal Register* on January 13, 2026, with comments, interventions, and protests due on January 28, 2026.¹⁶ No comments, interventions, or protests were filed in response to either notice.

III. Discussion

10. Because PD Transmission seeks authorization to use the northern 61 miles of the PD Pipeline and the leased capacity on the Header Pipeline to transport natural gas in interstate commerce subject to the Commission's jurisdiction, its proposals are subject to the requirements of subsections (c) and (e) of section 7 of the NGA.¹⁷

¹² Application at 26.

¹³ *Id.* at 11-12.

¹⁴ Scurry Downstream, LLC, is a wholly owned affiliate of Producers. *See supra* note 4.

¹⁵ 90 Fed. Reg. 40596 (Aug. 20, 2025).

¹⁶ 91 Fed. Reg. 1298 (Jan. 13, 2025).

¹⁷ 15 U.S.C. §§ 717f(c), (e).

A. Certificate Policy Statement

11. Although the Commission's Certificate Policy Statement was developed to provide guidance for evaluating proposals to certificate new construction,¹⁸ the Commission also applies the Certificate Policy Statement in assessing applications for certificate authority to acquire existing facilities including leasing capacity¹⁹ and, as is the case with the PD Pipeline here, to operate existing non-jurisdictional facilities to provide jurisdictional services.²⁰ The Certificate Policy Statement establishes criteria for determining whether there is a need for a proposed project and whether the proposed project will serve the public interest. It explains that, in deciding whether to authorize the construction of new facilities, the Commission balances the public benefits against the potential adverse consequences. The Commission's goal is to appropriately consider the enhancement of competitive transportation alternatives, the possibility of overbuilding, subsidization by existing customers, the applicant's responsibility for unsubscribed capacity, the avoidance of unnecessary disruptions of the environment, and the unneeded exercise of eminent domain in evaluating new construction.

12. Under this policy, the threshold requirement for applicants proposing new projects is that the applicant must be prepared to financially support the project without relying on subsidization from its existing customers. The next step is to determine whether the applicant has made efforts to eliminate or minimize any adverse effects the project might have on the applicant's existing customers, existing pipelines in the market and their captive customers, and landowners and communities affected by the new facilities. If residual adverse effects on these interest groups are identified after efforts have been made to minimize them, the Commission will evaluate the project by balancing the evidence of public benefits to be achieved against the residual adverse effects. This is essentially an economic test. Only when the benefits outweigh the adverse effects on economic interests will the Commission proceed to complete the environmental analysis, where other interests are considered.

13. As part of its proposal, PD Transmission requests authorization to lease capacity on the Header Pipeline to provide 80,000 Dth per day of firm transportation service for

¹⁸ *Certification of New Interstate Nat. Gas Pipeline Facilities*, 88 FERC ¶ 61,227, corrected, 89 FERC ¶ 61,040 (1999), clarified, 90 FERC ¶ 61,128, further clarified, 92 FERC ¶ 61,094 (2000) (Certificate Policy Statement).

¹⁹ See, e.g., *Tenn. Gas Pipeline Co.*, 123 FERC ¶ 61,153, at P 31 (2008).

²⁰ See, e.g., *Regency Field Servs. LLC*, 153 FERC ¶ 61,054 (2015) (applying the Certificate Policy Statement in deciding whether to issue a certificate authorizing the continued operation of an 8.1-mile-long pipeline, originally constructed as a gathering line, that was being used to provide jurisdictional service).

project shippers. In considering PD Transmission's proposed lease, we look to the Certificate Policy Statement's guidance for evaluating proposals to certificate new construction because an acquisition of lease capacity is a substitute for new construction. In considering the public interest in a proposal by an interstate pipeline to lease capacity on facilities that have already been constructed, generally, as is the case here, there is no cause to consider issues related to disruptions to the environment, landowner rights, and the exercise of eminent domain.²¹ We do consider whether the pipeline seeking to lease capacity is prepared to financially support its proposal without relying on subsidization from its existing customers. We also consider whether the applicant has made efforts to eliminate or minimize any adverse effects the proposed lease might have on its own existing customers, and on existing pipelines in the market and their captive customers. Thus, the Commission has found it appropriate to apply the Certificate Policy Statement's criteria to the extent applicable when addressing requests by pipelines for certificate authority to lease capacity owned by other pipelines.²² Here, PD Transmission has no jurisdictional customers and its proposal is not intended to replace existing customers' service on any other pipeline, and no other existing pipelines or their captive customers have objected to the proposal. Accordingly, we find that there will be no subsidization of the project by existing customers or adverse impact on existing customers or other existing pipelines and their captive customers.

14. PD Transmission also requests certificate authorization to operate a portion of its existing PD Pipeline as a jurisdictional interstate transmission pipeline. As the Commission has found in other cases concerning existing pipelines, most of the concerns expressed in the Certificate Policy Statement do not apply to PD Transmission's request for certificate authorization for its PD pipeline.²³ The threshold criterion that current customers not subsidize new customers is inapplicable here. PD Transmission has no

²¹ *Trunkline Gas Co.*, 132 FERC ¶ 61,069, at P 8 (2010).

²² See, e.g., *id.*; *Gulf S. Pipeline Co.*, 178 FERC ¶ 62,051, at P 8 (2022); *UGI Storage Co.*, 157 FERC ¶ 61,078, at P 9 (2016); *CenterPoint Energy Gas Transmission Co.*, 126 FERC ¶ 61,239, at PP 12-13 (2009).

²³ See, e.g., *id.* P 11; *Bison Pipeline, LLC*, 189 FERC ¶ 61,047, at P 36 (2024) (applying the Certificate Policy Statement's guidance for evaluating proposals to certificate new construction to a lease of capacity on facilities that have already been constructed and certificated because an acquisition of lease capacity is a substitute for new construction and noting there is no cause to consider issues related to disruptions of the environment, landowner rights, and the exercise of eminent domain) (citing *Trunkline Gas Co.*, 132 FERC ¶ 61,069, at P 8 (2010), *Gulf S. Pipeline Co.*, 178 FERC ¶ 62,051, at P 8 (2022); *UGI Storage Co.*, 157 FERC ¶ 61,078, at P 9 (2016); and *CenterPoint Energy Gas Transmission Co.*, 126 FERC ¶ 61,239, at PP 12-13 (2009)).

jurisdictional customers and is not constructing new facilities or increasing capacity to provide new service to new customers.²⁴

15. The project is designed to provide up to an additional 80,000 Dth per day of firm transportation service. PD Transmission conducted a binding open season for the proposed additional interstate transportation service and has entered into a precedent agreement for 100% of the capacity with Scurry Downstream, LLC, which is a corporate affiliate.²⁵ The Applicants state that the open season announcement was advertised in widely-circulated industry publications and the notice was also made on Producers' website and sent directly to all known potential shippers.²⁶ The Applicants explain that the open season provided all potential customers the opportunity to bid for the proposed new transportation service and that the only entity to submit a bid was Scurry Downstream, LLC.²⁷ A precedent agreement for a project's entire capacity supports a finding of project need.²⁸ The Commission will not look beyond precedent agreements to assess need by other means unless there is credible, contrary evidence discounting their probative value.²⁹ No such evidence exists here. Further, an affiliated shipper's need for new capacity and its obligation to pay for such service under a binding contract are not

²⁴ *See id.*

²⁵ *See supra* notes 4, 14.

²⁶ Application at 12.

²⁷ *Id.*

²⁸ *See, e.g., Transcon. Gas Pipe Line Co., LLC*, 190 FERC ¶ 61,048, at P 29 (2025) (affirming that precedent agreements are the best evidence of project need); *Tex. Gas Transmission, LLC*, 181 FERC ¶ 61,049 (2022) (finding a long-term precedent agreement for almost 100% of the project's capacity is significant evidence of need for the proposed project); *see also Sierra Club v. FERC*, 38 F.4th 220, 230 (D.C. Cir. 2022) (finding a long-term precedent agreement for 80% of the project's capacity showed an actual need for the project); *Appalachian Voices v. FERC*, No. 17-1271, 2019 WL 847199 (D.C. Cir. Feb. 19, 2019) (unpublished) (finding the Commission's conclusion that there is a market need for the project was reasonable and supported by substantial evidence, in the form of long-term precedent agreements for 100% of the project's capacity).

²⁹ *Eastern Gas Transmission and Storage, Inc.*, 193 FERC ¶ 61,144, at P 17 (2025) (citing *Gas Trans. Nw., L.L.C. v. FERC*, No. 24-60002, 2025 WL 3011078).

lessened just because it is affiliated with the project sponsor.³⁰ When considering applications for new certificates, the Commission's primary concern regarding affiliates of the pipeline as shippers is where there may have been undue discrimination against a non-affiliate shipper.³¹ Here, no allegations of discrimination have been made, nor have we found that the project sponsor engaged in any anticompetitive behavior. As noted above, PD Transmission held a binding open season for the available capacity and all potential shippers had the opportunity to contract for service. We find that PD Transmission has demonstrated a need for the project.

16. Granting certificate authorization will also not affect existing pipelines in the area, including PD Gathering, or their captive customers. PD Transmission's proposal is for additional service. It is not intended to replace existing customers' service on any other pipeline, and no other existing pipelines or their captive customers have objected to the proposal. Additionally, because PD Transmission does not propose any new construction, the project will have no impact on the economic interests of landowners and communities.

17. The proposed project will provide 80,000 Dth per day of incremental firm transportation service and PD Transmission has entered into a binding agreement for 100% of the project's capacity. Accordingly, we find that PD Transmission has demonstrated a need for the project, and, further, that the project will not have adverse impacts on existing customers, existing pipelines and their customers, or on landowners and surrounding communities. Therefore, we conclude that the project, as conditioned, is consistent with the criteria set forth in the Certificate Policy Statement and analyze the environmental impacts of the project below.³²

B. Capacity Lease

18. PD Transmission proposes to lease pipeline capacity sufficient to provide 80,000 Dth/d of firm transportation service on PD Gathering's Header Pipeline. The lease provides for a primary term of 10 years, subject to extension rights. Under the lease, PD

³⁰ *Mountain Valley Pipeline, LLC*, 161 FERC ¶ 61,043 (2017); *see also Greenbrier Pipeline Co., LLC*, 101 FERC ¶ 61,122, at P 59 (2002), *reh'g denied*, 103 FERC ¶ 61,024 (2003).

³¹ *See* 18 C.F.R. § 284.7(b) (2025) (requiring transportation service to be provided on a nondiscriminatory basis).

³² *See* Certificate Policy Statement, 88 FERC at 61,745-46 (explaining that only when the project benefits outweigh the adverse effects on the economic interests will the Commission then complete the environmental analysis).

Transmission will pay PD Gathering a fixed monthly lease charge of \$78,088³³ or approximately \$0.0321 per Dth/d, which Applicants state is based on the annual cost-of-service for the full design capacity and reflects an interruptible transportation revenue credit of \$200,000, to reflect revenue from potential interruptible service to the extent that the sole firm shipper does not fully utilize its contracted capacity.³⁴

19. The Commission views lease agreements differently from transportation services under rate contracts. The Commission views a lease of pipeline capacity as an acquisition of a property interest by the lessee in the capacity of the lessor's pipeline.³⁵ To enter into a lease agreement, the lessee generally needs to be a natural gas company under the NGA and to obtain a section 7(c) certificate of authorization to acquire the capacity. Once capacity is acquired, the lessee in essence owns it, and the capacity is subject to the lessee's tariff. The leased capacity is allocated for use by the lessee's customers. The lessor, while it may remain the operator of the pipeline system, no longer has any rights to use the leased capacity.³⁶

20. The Commission's practice has been to approve a lease if it finds that: (1) there are benefits from using a lease agreement; (2) the lease payments are less than, or equal to, the lessor's firm transportation rates for comparable service over the term of the lease; and (3) the lease agreement does not adversely affect existing customers.³⁷ As the Commission has stated previously:

We will not consider any of the prongs of the test in isolation, but rather will balance them on a case-by-case basis. Given the facts of individual lease cases, we will determine whether a proposal meets all of the three established criteria, and, if it does not, weigh the significance of the lease's failure to satisfy any criterion against the benefits it would provide with respect to other criteria.³⁸

³³ Application at 25.

³⁴ *Id.* at 17.

³⁵ *Tex. E. Transmission Corp.*, 94 FERC ¶ 61,139, at 61,530 (2001).

³⁶ *Tex. Gas Transmission, LLC*, 113 FERC ¶ 61,185, at P 10 (2005).

³⁷ *Id.*; *Islander E. Pipeline Co., L.L.C.*, 100 FERC ¶ 61,276, at P 69 (2002).

³⁸ *See, e.g., Nat'l Fuel Gas Supply Co.*, 172 FERC ¶ 61,039, at P 43 (2020).

21. As discussed below, we find that the proposed lease between PD Transmission and PD Gathering satisfies these requirements.

1. Lease Benefits

22. The Commission has found that capacity leases in general have several potential public benefits. Leases can promote efficient use of existing facilities, avoid construction of duplicative facilities, reduce the risk of overbuilding, reduce costs, and minimize environmental impacts.³⁹ In addition, leases can result in administrative efficiencies for shippers by eliminating the need to nominate across several pipelines.⁴⁰

23. We find that the proposed lease will enable PD Transmission to utilize excess available capacity to provide interstate transportation services without constructing new pipeline facilities that duplicate PD Gathering's system. By using the proposed lease, PD Transmission can meet the demands of the market with reduced construction and environmental impacts.

2. Lease Payments

24. The Commission has typically approved leases in which the lease payments amount to no more than the rate charged by the lessor for a comparable transportation service.⁴¹ Here, PD Gathering does not offer a transportation service that is directly comparable to the lease payment. In such instances, the Commission has approved lease agreements where the lessee's payments are less than, or equal to, what the lessee's rates for comparable service would be if the lessee owned or constructed the capacity itself.⁴² Here, Applicants state that the cost associated with PD Transmission constructing its own facilities necessary to replicate the lease arrangement is \$220,800,000 and would result in a daily reservation charge of \$1.36 per Dth.⁴³ This is significantly higher than the

³⁹ See, e.g., *NEXUS Gas Transmission, LLC*, 160 FERC ¶ 61,022, at P 58 (2017); *Constitution Pipeline Co., LLC*, 149 FERC ¶ 61,199, at P 37 (2014); *Dominion Transmission, Inc.*, 104 FERC ¶ 61,267, at P 21 (2003); *Islander E. Pipeline Co., L.L.C.*, 100 FERC ¶ 61,276 at P 70.

⁴⁰ *Wyo. Interstate Co., Ltd.*, 84 FERC ¶ 61,007, at 61,027 (1998), *reh'g denied*, 87 FERC ¶ 61,011 (1999).

⁴¹ *ANR Pipeline Co.*, 179 FERC ¶ 61,040, at P 22 (2022).

⁴² See, e.g., *Transcon. Gas Pipe Line Co., LLC*, 156 FERC ¶ 61,092, at PP 50-53 (2016).

⁴³ Application at 25.

proposed daily lease rate of \$0.0321 per Dth. Therefore, the lease payments are consistent with Commission policy.

3. Lease Impacts on Existing Customers

25. The third criterion the Commission considers when approving a lease is whether a proposed lease agreement would have an adverse effect on existing customers, such that the impact would outweigh the positive benefits already identified.⁴⁴ Applicants state that the proposal will have no adverse consequences on existing customers, pipelines, or landowners and communities.⁴⁵ PD Transmission currently has no customers other than PD Gathering,⁴⁶ and PD Gathering's existing customers will not be affected because the leased capacity will use excess capacity. Moreover, no other pipelines or customers have filed adverse comments regarding the Applicants' proposal. Thus, we find that the lease arrangement does not adversely affect existing customers.

4. Capacity Lease Conclusion

26. We find that the lease arrangement satisfies the Commission's lease policy, there are significant benefits, and neither PD Transmission's nor PD Gathering's existing customers should be adversely affected. Therefore, we conclude that the proposed lease is required by the public convenience and necessity. Accordingly, we grant PD Transmission's request to acquire the capacity from PD Gathering and offer service on the leased capacity under its tariff.

27. We will require PD Transmission to file with the Commission a notification in this docket within 10 days of the date of acquisition of the capacity leased from PD Gathering, providing the effective date of the acquisition. We also remind the applicants that, prior to the lease terminating, PD Transmission is required to obtain authority to abandon the leased capacity.⁴⁷

28. PD Transmission is required to treat the lease with PD Gathering as an operating lease for accounting purposes and record the monthly lease payments in Account 858, Transmission and Compression of Gas by Others, consistent with PD Transmission's

⁴⁴ See, e.g., *Sabine Pipe Line, LLC*, 171 FERC ¶ 61,147, at P 19 (2020).

⁴⁵ Application at 3.

⁴⁶ *Id.* at 25.

⁴⁷ See, e.g., *NEXUS Gas Transmission, LLC*, 160 FERC ¶ 61,022 at PP 63, 76; *Islander E. Pipeline Co.*, 102 FERC ¶ 61,054 at P 35.

proposal and the accounting treatment for other similar capacity lease agreements approved by the Commission.⁴⁸

C. Blanket Certificates

29. PD Transmission requests a Part 157, Subpart F blanket certificate. A Part 157 blanket certificate gives an interstate pipeline NGA section 7 authority to automatically, or after prior notice, perform a restricted number of routine activities related to the construction, acquisition, abandonment, replacement, and operation of existing pipeline facilities. Because PD Transmission will become an interstate pipeline, we will issue to it the requested Part 157, Subpart F blanket certificate.

30. PD Transmission also requests a Part 284, Subpart G blanket certificate to provide open-access transportation services.⁴⁹ Under a Part 284 blanket certificate, PD Transmission will not require individual authorizations to provide open-access transportation services to particular customers. PD Transmission filed a *pro forma* Part 284 tariff to provide open-access transportation services. Since a Part 284 blanket certificate is required for PD Transmission to offer these services, we will grant a Part 284 blanket certificate, subject to the conditions imposed herein.

D. Rates

1. Initial Rates

31. PD Transmission estimates that the total cost of the project is \$76,386,063⁵⁰ and proposes to offer firm transportation service under Rate Schedule FTS and interruptible transportation service under Rate Schedule ITS. PD Transmission proposes an initial daily reservation charge of \$0.5696 per Dth, based on a first-year fixed cost of service of \$16,632,852 (inclusive of a \$200,000 interruptible transportation revenue credit) and annual billing determinants of 29,200,000 Dth. PD Transmission also proposes an initial

⁴⁸ See, e.g., *Midwestern Gas Transmission Co.*, 73 FERC ¶ 61,320, at 61,888 (1995); *TriState Pipeline LLC*, 88 FERC ¶ 61,328, at 62,008 (1999); *Gulf Crossing Pipeline Co. LLC*, 123 FERC ¶ 61,100, at P 131 (2008); *Columbia Gas Transmission, LLC*, 145 FERC ¶ 61,028, at P 24 (2013); *Constitution Pipeline Co.*, 149 FERC ¶ 61,199 at P 42; *Nat'l Fuel Gas Supply Corp.*, 172 FERC ¶ 61,039, at P 76; *Sabine Pipe Line, L.L.C.*, 171 FERC ¶ 61,147 at P 22.

⁴⁹ 18 C.F.R. §§ 284.221-223.

⁵⁰ The cost estimation includes all lease payments, depreciation of the existing pipeline, and costs associated with preparing the existing pipeline for jurisdictional service.

usage charge of \$0.0070 per Dth based on variable costs of \$184,325 and annual billing determinants of 26,280,000 Dth.⁵¹ PD Transmission's cost-of-service is calculated based on a depreciation rate of 2.86%, which reflects an estimated 35-year depreciable life.⁵² It also uses an overall rate of return of 11.00%, based on a hypothetical capital structure of 50% debt and 50% equity, with an estimated cost of debt of 8.00% and a rate of return on equity (ROE) of 14%. In addition, PD Transmission proposes an initial interruptible rate of \$0.5765 per Dth based on a 100% load factor equivalent of the Rate Schedule FTS charges.

32. We have reviewed PD Transmission's proposed cost of service and initial rates and find, with the exception discussed below, that they are consistent with current Commission policy.

2. Rate of Return

33. PD Transmission proposes a 14% ROE, arguing that the Commission has approved an ROE of 14% for new pipelines, as long as the equity component of the capitalization is no more than 50%.⁵³

34. The Commission has explained that a 14% ROE is an appropriate incentive for new pipeline companies to enter the market and reflects the fact that greenfield pipelines undertaken by a new market entrant face greater risks than existing pipelines because new entrants do not have an existing customer base, and they face greater risks constructing a new pipeline system and servicing new routes than established pipeline companies do when adding incremental capacity to their systems.⁵⁴ In contrast, for

⁵¹ The usage annual billing determinants are based on a 90% load factor. *See* Application, Ex. N at 1.

⁵² Application at 17.

⁵³ *Id.* (citing *Venture Global CP2 LNG, LLC*, 187 FERC ¶ 61,199, at P 57 (2024); *Roaring Fork Interstate Gas Transmission, LLC*, 177 FERC ¶ 62,153, at P 30 (2021); *Double E Pipeline, LLC*, 173 FERC ¶ 61,074, at P 42 (2020); *Adelphia Gateway, LLC*, 169 FERC ¶ 61,220, at P 63 (2019); *Corpus Christi Liquefaction Stage III, LLC*, 169 FERC ¶ 61,135, at P 34 (2019); *Venture Global Plaquemines LNG, LLC*, 168 FERC ¶ 61,204, at P 30 (2019); *Nexus Gas Transmission, LLC*, 160 FERC ¶ 61,022, at P 81 (2017); *Fla. Se. Connection, LLC*, 154 FERC ¶ 61,080, at P 17 (2016)).

⁵⁴ *Atlantic Coast Pipeline, LLC*, 161 FERC ¶ 61,042, at P 102 (2017), *order on reh'g*, 164 FERC ¶ 61,100, at P 100 (2018). *See also Appalachian Voices v. FERC*, No. 17-1271, 2019 WL 847199 at *1 (D.C. Cir. Feb.19, 2019) (unpublished) (14%

existing pipelines being converted to provide interstate natural gas transportation service, the Commission has found that these pipelines have more in common with existing pipelines that are expanding their systems than with greenfield pipeline projects and has approved the use of the most recent ROE approved in a litigated NGA section 4 rate case in determining the applicant's ROE.⁵⁵

35. Here, PD Transmission's project is closer to converting an existing pipeline to interstate natural gas service than to constructing a greenfield pipeline. PD Transmission does not propose to construct a new pipeline system but rather to provide FERC-jurisdictional transportation services via the leased capacity and an existing 61-mile-long, 16-inch-diameter pipeline.

36. Because of the structure of PD Transmission's project, we find that, consistent with our precedent, it is more appropriate for PD Transmission to use the most recent ROE approved in a litigated NGA section 4 rate case in determining PD Transmission's ROE.⁵⁶ The last litigated ROE applicable to this situation was from Panhandle Eastern Pipe Line Company, LP, where the Commission adopted an ROE of 11.25%.⁵⁷ Therefore, we approve an ROE of 11.25% for the project and direct PD Transmission to revise its rates accordingly.

3. **Fuel**

37. PD Transmission proposes to recover the costs of fuel and lost and unaccounted-for gas, both on its own pipeline and the leased capacity, through an in-kind reimbursement percentage of shipper receipts. It states that the fuel reimbursement

ROE was reasonably based on the specific character of the pipeline project and the project applicant's status as a new market entrant).

⁵⁵ *First ECA Midstream LLC*, 155 FERC ¶ 61,222, at P 23 (2016) (rejecting request for 15% ROE); *Adelphia Gateway, LLC*, 169 FERC ¶ 61,220, at P 65 (2019) (rejecting request for 14% ROE).

⁵⁶ *See Fla. Se. Connection, LLC*, 164 FERC ¶ 61,091, at P 19 (2018) (applying the last litigated ROE from El Paso Natural Gas Company's rate case which was 10.55%); *First ECA Midstream LLC*, 155 FERC ¶ 61,222 at P 23 (same); *see also ANR Pipeline Co.*, 139 FERC ¶ 61,238, at P 127 (2012), *reh'g denied*, 143 FERC ¶ 61,225, at PP 61-62 (2013).

⁵⁷ *Panhandle E. Pipe Line Co.*, Opinion No. 885, 181 FERC ¶ 61,211 (2022), *order on reh'g*, Opinion No. 885-A, 184 FERC ¶ 61,181 (2023), *order on reh'g*, Opinion No. 885-B, 186 FERC ¶ 61,015 (2024), *pets. for review filed sub nom. Panhandle E. Pipe Line Co. v. FERC*, No. 23-1220 (D.C. Cir.).

percentages will be adjusted in accordance with the true-up mechanism set forth in section 6.20 of the General Terms and Conditions (GT&C) of its *pro forma* tariff.⁵⁸ PD Transmission proposes an initial fuel reimbursement percentage of 2.25% and an initial lost and unaccounted-for gas percentage of 0.50%.⁵⁹ PD Transmission states that the initial fuel reimbursement percentage reflects the required fuel to operate the existing compressor station on an average day, as well as the anticipated fuel usage under the lease agreement. We find that PD Transmission's proposed initial fuel reimbursement percentages are reasonable and therefore approve them.

4. Three-Year Filing Requirement

38. Consistent with Commission precedent, PD Transmission is required to file a cost and revenue study no later than three months after its first three years of actual operation to justify its existing cost-based firm and interruptible recourse rates.⁶⁰ In that filing, the projected units of service should be no lower than those upon which PD Transmission's approved initial rates are based. The filing must include a cost and revenue study in the form specified in section 154.313 of the Commission's regulations to update cost of service data.⁶¹ PD Transmission's cost and revenue study should be filed through the eTariff portal using a Type of Filing Code 585. In addition, PD Transmission is advised to include as part of the eFiling description a reference to Docket No. CP25-531-000 in the cost and revenue study.⁶² After reviewing the data, the Commission will determine whether to exercise its authority under NGA section 5 to investigate whether the rates remain just and reasonable. In the alternative, in lieu of that filing, PD Transmission may make an NGA general section 4 rate filing to propose alternative rates to be effective no later than three years after the in-service date for its proposed facilities.

⁵⁸ Application at 17-18.

⁵⁹ *Id.*

⁶⁰ *Atlantic Coast*, 161 FERC ¶ 61,042 at P 105; *Florida Southeast Connection*, 154 FERC ¶ 61,080 at P 139; *Bison Pipeline, LLC*, 131 FERC ¶ 61,013, at P 29 (2010); *Ruby Pipeline, L.L.C.*, 128 FERC ¶ 61,224, at P 57 (2009); *MarkWest Pioneer, L.L.C.*, 125 FERC ¶ 61,165, at P 34 (2008).

⁶¹ 18 C.F.R. § 154.313 (2025).

⁶² *Elec. Tariff Filings*, 130 FERC ¶ 61,047, at P 17 (2010).

5. **Pro Forma Tariff**

a. **System Map**

39. PD Transmission's *pro forma* tariff does not include a map(s) of its system and therefore does not comply with the Commission's regulations.⁶³ PD Transmission is required to revise its tariff to provide uniform resource locators designating a location on the internet for publication of its system map(s).

b. **Preliminary Statement**

40. PD Transmission's amended *pro forma* tariff includes a preliminary statement stating that PD Transmission's pipeline system consists of a 275-mile 16-inch-diameter pipeline. However, because the amendment reduces the size of the system, PD Transmission is required to revise its tariff to provide an updated description of its pipeline system.

c. **North American Energy Standards Board**

41. The Commission has adopted regulations to standardize the business practices and communication methodologies of interstate natural gas pipelines to create a more integrated and efficient pipeline system. These regulations have been promulgated in the Order No. 587 series of orders,⁶⁴ wherein the Commission has incorporated by reference standards for interstate natural gas business practices and electronic communications that were promulgated by the North American Energy Standards Board (NAESB).

42. On November 22, 2024, the Commission issued Order No. 587-AA,⁶⁵ a final rule amending its regulations to incorporate by reference, with certain enumerated exceptions, the latest version (Version 4.0) of business practice standards adopted by the Wholesale Gas Quadrant (WGQ) of NAESB applicable to interstate natural gas pipelines. On August 1, 2025, as supplemented on December 9, 2025,⁶⁶ PD Transmission sought extensions of time to comply with Order No. 587-AA. These requests are discussed

⁶³ 18 C.F.R. § 154.106.

⁶⁴ This series of orders began with the Commission's issuance of Order No. 587, *Standards for Bus. Pracs. of Interstate Nat. Gas Pipelines*. 61 FR 39053 (July 26, 1996), FERC Stats. & Regs. ¶ 31,038 (1996) (cross-referenced at 76 FERC ¶ 61,042).

⁶⁵ *Standards for Bus. Pracs. of Interstate Nat. Gas Pipelines*, Order No. 587-AA, 189 FERC ¶ 61,135 (2024).

⁶⁶ PD Transmission December 9, 2025 Supplement Application.

below. Any extensions of time granted herein are limited to the NAESB WGQ Version 4.0 Standards promulgated by Order No. 587-AA.

i. Extensions of Time to Implement Electronic Data Interchange, Electronic Delivery Mechanism, and Internet Electronic Transport Requirements

43. PD Transmission requests a waiver or extensions of time to implement NAESB WGQ Version 4.0 Standards relating to various Electronic Data Interchange (EDI),⁶⁷ Electronic Delivery Mechanism (EDM),⁶⁸ and Internet Electronic Transport (IET)⁶⁹ technical requirements until such time as PD Transmission is requested by a Part 284 open access customer to provide such electronic data services.

44. PD Transmission states that because of the expected limited number of transactions on its system and given that its one firm shipper does not desire such communications protocols, compliance with these standards would be unnecessarily burdensome and result in unwarranted costs, and that it does not anticipate that it will receive a request for EDI, EDM, and IET transactions in the foreseeable future.⁷⁰ Moreover, PD Transmission notes that, with its proposed information-only website, it will handle all nominations and any capacity releases manually and in accordance with the nomination schedule set forth in the proposed *pro forma* Tariff pursuant to Commission requirements. PD Transmission asserts that, given the lack of any expected need for an interactive website, the costs to purchase and maintain computer software are unnecessary and would increase the costs borne by the single firm shipper, which PD Transmission asserts does not anticipate using such functionality.⁷¹ In addition, PD

⁶⁷ EDI standards require computer-to-computer electronic data interchange of information in files as mapped from the NAESB WGQ datasets and communicated between trading partners over the Internet using the NAESB Internet Electronic Transport.

⁶⁸ EDM standards relate to the use of the Internet for pertinent business practice and electronic communications. EDM standards establish the framework for the electronic dissemination and communication of information between parties in the North American wholesale gas marketplace.

⁶⁹ IET refers to electronic transaction messaging standards which, in concert with Quadrant-specific EDM (QEDM), enable NAESB parties to securely and reliably exchange transactions over the Internet.

⁷⁰ PD Transmission December 9, 2025 Supplement Application at 2-3.

⁷¹ *Id.* n.1.

Transmission states that, given its small size, and expectations of limited interruptible shippers (as the firm customer is expected to utilize its contracted capacity at a high load factor), PD Transmission expects its information-only website to serve the necessary purposes.⁷²

45. For good cause shown, we grant PD Transmission an extension of time to comply with EDI, EDM, and IET technical requirements, as requested.⁷³ The extensions of time are limited to the NAESB WGQ Version 4.0 Standards⁷⁴ promulgated by Order No. 587-AA and will be in effect until a Part 284 customer requests that PD Transmission offer the EDI, EDM, and IET transactions or data via its website. Further, PD Transmission must be fully compliant with the NAESB WGQ Version 4.0 Standards as it relates to proprietary location codes.⁷⁵

ii. Extension of Time for Requirement to Support Index-Based Capacity Releases

46. PD Transmission requests an extension of time to comply with NAESB WGQ Version 4.0 Standards 5.3.62 through 5.3.69 and their requirement to support at least two non-public price index references. PD Transmission asserts that its single, affiliated firm shipper is unlikely to request index-based capacity releases.⁷⁶ Therefore, for good cause shown, we grant PD Transmission an extension of time to comply with NAESB WGQ Version 4.0 Standards 5.3.62 through 5.3.69 until a releasing shipper presents an index-

⁷² *Id.* PD Transmission explains that it will notify its customer(s) by email (and if necessary by telephone) of all critical and non-critical information (in addition to posting the same information on its informational website).

⁷³ NAESB WGQ Version 4.0 Standards 0.3.18, 0.3.20-0.3.23, 0.3.25-0.3.29, 1.3.3, 1.3.20, 1.3.21, 1.3.23, 1.3.36, 1.3.48, 1.3.53, 1.3.55, 1.3.56, 1.3.58, 1.3.62, 1.3.81, 1.4.2, 1.4.7, 2.3.1, 2.3.5, 2.3.6, 2.3.25, 2.3.32, 2.3.40, 2.3.46, 2.3.66, 2.4.2, 2.4.6-2.4.8, 3.3.23, 3.3.24, 3.4.1-3.4.4, 4.3.1-4.3.3, 4.3.22, 4.3.24-4.3.28, 4.3.31-4.3.36, 4.3.42-4.3.50, 4.3.52-4.3.55, 4.3.57, 4.3.58, 4.3.66-4.3.69, 4.3.72, 4.3.75, 4.3.78-4.3.82, 4.3.85-4.3.87, 4.3.100, 4.3.104-4.3.106, 5.3.10-5.3.14, 5.3.34, 5.3.41, 5.3.42, 5.3.48, 5.3.70-5.3.72, 5.4.14-5.4.17, 5.4.20-5.4.27, 12.3.4-12.3.14, 12.3.16, and 12.3.20-12.3.22.

⁷⁴ See *B-R Pipeline Co.*, 128 FERC ¶ 61,126, at P 6 (2009) (each time the Commission adopts new versions of the standards, a pipeline seeking to retain an existing waiver must request a waiver of the new standards).

⁷⁵ See *Equitrans L.P.*, 153 FERC ¶ 61,320, at PP 9-13 (2015).

⁷⁶ PD Transmission December 9, 2025 Supplement Application at 3.

based capacity release. If such a request is made, PD Transmission will need to pay whatever licensing costs are necessary to cover its processing of the release.⁷⁷

iii. Extension of Time for Pooling Standards

47. PD Transmission requests an extension of time for implementing NAESB WGQ Version 4.0 Standards governing pooling.⁷⁸ PD Transmission states that, given the nature of its system, it does not have the ability to provide pooling services. PD Transmission asserts that if it becomes feasible for it to provide pooling services, it will comply with the pooling-related standards within 180 days of a bona fide request from a non-affiliated firm shipper.⁷⁹ For good cause shown, we grant PD Transmission an extension of time to comply with the NAESB WGQ Version 4.0 Standards relating to pooling⁸⁰ until 180 days following its receipt of a request from a Part 284 customer, at which time PD Transmission must commence compliance with the NAESB WGQ Version 4.0 Standards relating to pooling.

d. Waiver of the Shipper Must Have Title Policy

48. Section 6.33 of PD Transmission's *pro forma* GT&C provides that, from time to time, PD Transmission may acquire and use capacity on a third-party system and use such capacity for operational needs or to render service. As a result, PD Transmission requests a waiver of the Commission's "shipper must have title" policy to allow PD Gathering to provide service to PD Transmission with the transported gas owned by PD Transmission's customers.⁸¹

⁷⁷ PD Transmission will not have to support more than two indices at any time because any subsequent releasing shippers will be able to avail themselves of the index or indices supported by PD Transmission.

⁷⁸ Pooling is: (1) the aggregation of gas from multiple physical and/or logical points to a single physical or logical point, and/or (2) the dis-aggregation of gas from a single physical or logical point to multiple physical and/or logical points.

⁷⁹ PD Transmission December 9, 2025 Supplement Application at 2.

⁸⁰ NAESB WGQ Version 4.0 Standards 1.3.17, 1.3.18, & 3.3.6.

⁸¹ Application at 13.

49. We find that the language in section 6.33 – Third Party Pipeline Capacity is consistent with the Commission’s *Texas Eastern* policy.⁸² Under that policy, a pipeline can acquire off-system capacity without preapproval if it makes a tariff filing that includes a statement that it will only transport gas for others on the acquired capacity pursuant to its open access tariff and subject to its Commission-approved rates. Upon the pipeline filing an appropriate tariff provision, as PD Transmission has done here, we will grant a generic waiver of the “shipper must have title” policy for any such transportation that the pipeline subsequently provides.

e. Force Majeure

50. PD Transmission’s proposed GT&C section 6.13 includes “maintenance or repairs to machinery or lines of pipe...” in its definition of *force majeure*. The Commission has defined *force majeure* as “events that are not only uncontrollable, but also unexpected.”⁸³ While the Commission allows natural gas pipelines to draft their own tariff definitions of *force majeure*, it does not allow material deviations, especially “from the Commission’s longstanding policy regarding scheduled maintenance.”⁸⁴ “The Commission’s consistent ruling has been that scheduled maintenance is not a *force majeure* event, and the pipeline must provide full reservation charge credits for scheduled amounts not delivered during periods of scheduled maintenance.”⁸⁵ That is because scheduled maintenance outages are expected even if they are not reasonably within the pipeline’s control.⁸⁶ Applying the above guidance, we find this language applies only to unscheduled maintenance and therefore direct PD Transmission to revise its proposed GT&C section 6.13 to clarify that *force majeure* only applies to unscheduled maintenance to comply with the

⁸² See *Atlantic Coast Pipeline, LLC*, 161 FERC ¶ 61,042, at P 158 (2017) citing *Tex. E. Transmission Corp.*, 93 FERC ¶ 61,273 (2000), *reh’g denied*, 94 FERC ¶ 61,139 (2001) (*Texas Eastern*).

⁸³ *N. Baja Pipeline, LLC v. FERC*, 483 F.3d 819, 823 (D.C. Cir. 2007).

⁸⁴ *Id.* (cited in, e.g., *Tex. E. Transmission, LP*, 140 FERC ¶ 61,216, at P 53 (2012)).

⁸⁵ *Nat. Gas Supply Ass’n*, 135 FERC ¶ 61,055, at P 20 (2011) (policy statement on reservation charge crediting), *order on reh’g*, 137 FERC ¶ 61,051 (2011) (citing *Tenn. Gas Pipeline Co.*, Opinion No. 406, 76 FERC ¶ 61,022, at 61,086 (1996), *order on reh’g*, Opinion No. 406-A, 80 FERC ¶ 61,070 (1997)); *accord N. Baja*, 483 F.3d at 823.

⁸⁶ *N. Baja*, 483 F.3d at 823 (quoted in, e.g., *Gulf Crossing Pipeline Co.*, 145 FERC ¶ 61,021, at P 3 (2013); *Gulf S. Pipeline Co.*, *order on reh’g*, 144 FERC ¶ 61,215, at P 3 (2013); *Tex. Gas Transmission, LLC*, 145 FERC ¶ 61,100, at P 3 (2013)).

Commission's definition of *force majeure* when PD Transmission files actual tariff records, as directed herein.

f. Determination

51. PD Transmission proposes to offer firm and interruptible transportation services on an open-access basis under the terms and conditions set forth in the *pro forma* tariff attached as Exhibit P of the application. We find PD Transmission's proposed *pro forma* tariff generally complies with part 284 of the Commission's regulations,⁸⁷ with the exceptions discussed above. We will require PD Transmission to file actual tariff records consistent with the directives in the order at least 30 days and no more than 60 days prior to the commencement of service. In addition, PD Transmission must file a redline-strikeout version of the revised tariff records to identify the changes made to comply with this order.

E. Limited Jurisdiction Certificate

52. PD Gathering requests a limited jurisdiction certificate allowing it to lease capacity to PD Transmission for use in the transportation of natural gas in interstate commerce under the NGA during the term of the lease, while at the same time leaving other non-leased gathering operations exempt from NGA jurisdiction.

53. To enable PD Gathering to carry out its responsibilities under the lease, we will issue it a limited jurisdiction certificate. The Commission closely examines proposals that would create dual jurisdiction facilities, i.e., facilities that would be subject to both state and federal jurisdiction, to avoid duplicative and/or potentially inconsistent regulatory schemes over the same facilities. The Commission recognizes that federal regulation of PD Gathering will be "limited" in that it will apply only to the use of the relevant portion of its facilities for the transportation of natural gas in interstate commerce; however, PD Gathering will be subject to exclusive federal regulation with regard to the leasing of the capacity supporting the 80,000 Dth/day of firm transportation service that PD Transmission will provide on PD Gathering's system and any issues that may arise thereunder.

54. The limited jurisdiction certificate will enable PD Gathering to operate the leased capacity being used for NGA jurisdictional services, subject to the terms of the lease and subject to PD Transmission's tariff. The limited jurisdiction certificate will also require PD Gathering to operate the leased capacity in a manner that ensures PD Transmission's ability to provide services on an open-access, non-discriminatory basis. The Commission

⁸⁷ 18 C.F.R. pt. 284.

has approved similar leases in the past involving gathering systems,⁸⁸ and our finding that PD Gathering is jurisdictional is limited to its role as the lessor and operator of the capacity to be used by PD Transmission to provide PD Transmission's interstate services. PD Gathering will remain non-jurisdictional as to its gathering services.⁸⁹

55. Finally, this order grants a waiver of certain requirements that otherwise would be applicable to an NGA interstate pipeline. Specifically, consistent with previous Commission orders granting limited jurisdiction certificates to otherwise non-jurisdictional companies engaged in jurisdictional activities, we grant the Applicants' request for waiver of the Commission's "shipper must have title policy."⁹⁰ Additionally, PD Gathering is granted a waiver of all reporting, filing, electronic posting, and other regulatory requirements, including any requirement to file FERC Form No. 2 (and any quarterly financial filings) and to assess annual charges. In similar circumstances, the Commission has waived these reporting and regulatory requirements for limited-purpose pipelines.⁹¹

F. Environmental Analysis

56. On August 20, 2025 and January 16, 2026, Commission staff issued Environmental Assessment Reports finding that no environmental impacts would be involved with the approval of applicants' proposal. We agree. PD Transmission and PD Gathering do not propose any construction, removal, or modification of facilities involving ground disturbing activities. Therefore, issuance of this order will result in no environmental impacts and is categorically excluded under section 380.4(a)(21) and (27) of our regulations from the requirement to prepare an environmental assessment or environmental impact statement.⁹²

⁸⁸ See *Wyo. Interstate Co., L.L.C.*, 182 FERC ¶ 62,138 (2023); *High Point Gas Transmission, LLC*, 163 FERC ¶ 61,135, at PP 59-61 (2018).

⁸⁹ See *Midcontinent Express Pipeline, LLC*, 124 FERC ¶ 61,089 (2008); *Gulf Crossing Pipeline Co. LLC*, 123 FERC ¶ 61,100.

⁹⁰ *Ohio River Sys. LLC*, 161 FERC ¶ 62,096 (2017).

⁹¹ *Sabine Pipe Line LLC*, 171 FERC ¶ 61,147; *High Point Gas Transmission, LLC*, 163 FERC ¶ 61,135 at PP 59-61; *Freeport McMoRan Energy, LLC*, 115 FERC ¶ 61,201, at PP 24-26 (2006); *Transcon. Gas Pipe Line Corp.*, 91 FERC ¶ 61,180 (2000); *B-R Pipeline Co.*, 89 FERC ¶ 61,312 (1999).

⁹² 18 C.F.R. § 380.4(a)(27) (2025).

IV. Conclusion

57. The proposed project will enable PD Transmission to provide shippers with 80,000 Dth/day of firm transportation service. Further, the project will not have adverse impacts on PD Transmission's or PD Gathering's existing shippers, other pipelines and their existing customers, or on the interests of landowners and surrounding communities. Based on the discussion above, we conclude that, under section 7 of the NGA, the public convenience and necessity requires approval of the project, subject to the conditions in this order.

58. The Commission, on its own motion, received and made a part of the record in this proceeding all evidence, including the applications and exhibits thereto, submitted in this proceeding and upon consideration of the record,

The Commission orders:

(A) A certificate of public convenience and necessity is issued to PD Transmission authorizing it to operate the 61-mile-long segment of the PD Pipeline, as described and conditioned herein, and as more fully described in the application and supplements, including any commitments made therein, and in the body of this order.

(B) A certificate of public convenience and necessity is issued to PD Transmission authorizing it to acquire by lease the subject capacity from PD Gathering and offer service thereon under its tariff, as described and conditioned herein, and as more fully described in the application and supplements, including any commitments made therein, and in the body of this order.

(C) The certificate issued in ordering paragraph (A) is conditioned on PD Transmission's compliance with all applicable regulations under the NGA, including paragraphs (a), (c), (e), and (f) of section 157.20 of the Commission's regulations.

(D) A blanket construction certificate is issued to PD Transmission under Subpart F of Part 157 of the Commission's regulations.

(E) A blanket transportation certificate pursuant to Part 284, Subpart G, of the Commission's regulations is issued to PD Transmission.

(F) A limited jurisdiction certificate of public convenience and necessity is issued to PD Gathering, authorizing it to lease capacity to PD Transmission and operate the leased capacity, as described herein.

(G) PD Transmission's initial recourse rates, fuel and lost and unaccounted for gas reimbursement percentages, and *pro forma* tariff are approved, as conditioned above. PD Transmission must file revised rates and tariff records, consistent with the modifications discussed in the body of this order.

(H) PD Transmission's request for waiver of the Commission's shipper-must-have-title policy is granted, as discussed in the body of this order.

(I) Extensions of time are hereby granted, as discussed in the body of this order, limited to the NAESB WGQ Version 4.0 Standards promulgated by Order No. 587-AA.

(J) Within three months after its first three years of actual operation, PD Transmission must file a cost and revenue study to justify its existing cost-based firm and interruptible recourse rates. The study should be filed through the eTariff portal using Filing Code 585. In addition, PD Transmission is advised to include as part of the eFiling description a reference to Docket Nos. CP25-531-000 and CP25-531-001.

By the Commission.

(S E A L)

Debbie-Anne A. Reese,
Secretary.