

194 FERC ¶ 61,207
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.

Rockies Express Pipeline LLC
MountainWest Overthrust Pipeline, LLC

Docket Nos. CP26-39-000
CP26-40-000

ORDER APPROVING ABANDONMENT AND ISSUING CERTIFICATE

(Issued March 19, 2026)

1. On December 10, 2025, Rockies Express Pipeline LLC (Rockies Express), in Docket No. CP26-39-000, and MountainWest Overthrust Pipeline, LLC (Overthrust), in Docket CP26-40-000, filed applications pursuant to section 7 of the Natural Gas Act (NGA)¹ and part 157 of the Commission's regulations² requesting authorization for Rockies Express to abandon 625,000 dekatherms per day (Dth/d) of leased transportation capacity on Overthrust's pipeline system and for Overthrust to reacquire the leased transportation capacity. No party opposes the applications. As discussed below, we grant the requested authorizations.

I. Background and Proposals

2. On April 19, 2007, the Commission authorized Questar Overthrust Pipeline Company³ to construct and operate two compressor stations and approximately 77.2 miles of pipeline extending from two natural gas processing plants at the eastern terminus of Overthrust's transmission system near Opal, Wyoming, to a proposed interconnection with Rockies Express near Wamsutter, Wyoming (Wamsutter Expansion Project).⁴ The Wamsutter Expansion Project was designed to provide 750,000 Dth/d of

¹ 15 U.S.C. §§ 717f(b), (c).

² 18 C.F.R. pt. 157 (2025).

³ Through a series of name changes Questar Overthrust Pipeline Company became MountainWest Overthrust Pipeline LLC.

⁴ *Rockies Express Pipeline LLC*, 119 FERC ¶ 61,069, at P 40 (2007). The order also authorized the construction and operation of Rockies Express' REX-West Project, which consisted of 713 miles of mainline pipeline and four compressor stations, and

firm transportation service to an existing interconnection with Wyoming Interstate Company, LLC, and 625,000 Dth/d of firm transportation service to a proposed delivery point with Rockies Express at Wamsutter. In the same order, the Commission also authorized Rockies Express to acquire by lease 625,000 Dth/d of capacity created by the project.⁵ The lease commenced on January 1, 2008, and provides for a primary term of 20 years, expiring on December 31, 2027. On August 29, 2025, Rockies Express provided written notice to Overthrust of Rockies Express' intent to terminate the lease, effective January 1, 2028, at the end of the primary term.⁶ Overthrust requests a certificate of public convenience and necessity to reacquire the abandoned lease capacity effective January 1, 2028.⁷

II. Notices and Interventions

3. Notice of the applications was published in the *Federal Register* on December 22, 2025.⁸ The notice established January 7, 2026, as the deadline for filing interventions, comments, and protests. Antero Resources Corporation filed a timely, unopposed motion to intervene.⁹ No comments or protests were filed.

III. Discussion

4. The Commission views a lease of interstate pipeline capacity as an acquisition of a property interest in the lessor's pipeline subject to NGA section 7(b) abandonment and section 7(c) certification.¹⁰ When parties seek to terminate a capacity lease arrangement,

TransColorado Gas Transmission Company's Blanco-Meeker Expansion project, which consisted of new compression facilities in New Mexico and Colorado.

⁵ *Rockies Express Pipeline LLC*, 119 FERC ¶ 61,069, at P 40 (2007).

⁶ Rockies Express Application at 5.

⁷ Overthrust Application at 7. Overthrust states that it posted the potentially reacquired capacity as unsubscribed on its electronic bulletin board, to be available on January 1, 2028, and that it may offer the capacity in an open season pursuant to the terms of its FERC Gas Tariff. Overthrust Application at 8.

⁸ 90 Fed. Reg. 59,809 (Dec. 22, 2025).

⁹ Timely, unopposed motions to intervene are granted by operation of Rule 214 of the Commission's Rules of Practice and Procedure. 18 C.F.R. § 385.214(c) (2025).

¹⁰ See e.g., *Tex. E. Gas Transmission Corp.*, 94 FERC ¶ 61,139, at 61,530 (2001); *Nornew Energy Supply, Inc.*, 98 FERC ¶ 61,018 (2002).

the Commission requires the lessee pipeline to obtain authorization under section 7(b) of the NGA to abandon the leased capacity and the lessor pipeline to obtain certificate authorization under section 7(c) of the NGA to reacquire the capacity for use in providing service under its own tariff.¹¹

A. Abandonment Approval

5. Section 7(b) of the NGA provides that a natural gas company may abandon jurisdictional facilities or services only if the Commission finds the abandonment is permitted by the present or future public convenience or necessity.¹² In deciding whether a proposed abandonment is warranted, the Commission considers all relevant factors, but the criteria vary with the circumstances of the particular proposal.¹³ Continuity and stability of existing service are the primary considerations in assessing whether the public convenience or necessity permit the abandonment.¹⁴ If the Commission finds that the proposed abandonment will not jeopardize continuity of existing gas transportation services, the Commission generally will find that the public convenience or necessity permits the abandonment.¹⁵

6. The contractual lease agreement between Rockies Express and Overthrust will expire on December 31, 2027. Rockies Express will continue to use its existing facilities to provide open-access transportation services under its currently effective FERC Gas Tariff,¹⁶ and, once it is reacquired, Overthrust will provide open-access service on the formerly leased capacity pursuant to its FERC Gas Tariff. No customer of either Rockies Express or Overthrust filed comments opposing the proposed abandonment and reacquisition. Therefore, we find that Rockies Express' proposed abandonment is permitted by the present or future public convenience or necessity.

¹¹ *Dominion Transmission, Inc.*, 146 FERC ¶ 61,018, at P 11 (2014) (citing *Islander E. Pipeline Co., L.L.C.*, 102 FERC ¶ 61,054, at P 35 (2003)).

¹² 15 U.S.C. § 717f(b).

¹³ *El Paso Nat. Gas Co., LLC*, 148 FERC ¶ 61,226, at P 11 (2014).

¹⁴ *Nat'l Fuel Gas Supply Corp.*, 160 FERC ¶ 61,050, at P 17 (2017).

¹⁵ *See, e.g., Tex. E. Transmission, LP*, 176 FERC ¶ 61,206, at P 11 (2021) (citing *Trunkline Gas Co., LLC*, 145 FERC ¶ 61,108, at P 65 (2013)).

¹⁶ Rockies Express Application at 5.

B. Reacquisition of Capacity

7. While the Commission's Certificate Policy Statement was developed to provide guidance for evaluating proposals to certificate new construction,¹⁷ the Commission also applies the Certificate Policy Statement in assessing applications for certificate authority to acquire or reacquire existing facilities.¹⁸ 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.

8. 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.

9. As the Commission has explained, most of the concerns expressed in the Certificate Policy Statement do not apply to the reacquisition of leased capacity.¹⁹ Here,

¹⁷ *Certification of New Interstate Nat. Gas Pipeline Facilities*, 88 FERC ¶ 61,227 (1999), *corrected*, 89 FERC ¶ 61,040 (1999), *clarified*, 90 FERC ¶ 61,128, *further clarified*, 92 FERC ¶ 61,094 (2000) (Certificate Policy Statement).

¹⁸ *See, e.g., Tenn. Gas Pipeline Co.*, 123 FERC ¶ 61,153, at P 31 (2008) (applying the Certificate Policy Statement to authorize a company's acquisition of existing pipeline facilities); *MIGC Inc.*, 116 FERC ¶ 62,214, at 64,680 (2006) (applying the Certificate Policy Statement to authorize a company's reacquisition of previously leased capacity and facilities).

¹⁹ *Tex. E. Transmission, LP*, 133 FERC ¶ 61,055, at P 9 (2010) ("when ... the lessor pipeline reacquires the capacity, the subsidization and competitive concerns

Overthrust would offer the reacquired capacity on an open-access basis at its applicable system rates. Granting certificate authorization will also not affect existing pipelines in the area, or their captive customers, as Overthrust's 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. Additionally, because Overthrust does not propose any new construction, the project will have no impact on the economic interests of landowners and 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.²⁰

C. Environmental Review

10. Rockies Express and Overthrust 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 sections 380.4(a)(27) and (29) of our regulations from the requirement to prepare an environmental assessment or environmental impact statement.²¹

IV. Conclusion

11. We find that Overthrust's proposal will not have adverse impacts on existing customers, existing 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 the approval of Overthrust's proposal to reacquire the leased capacity, subject to the conditions in this order. Further, as discussed above, we find that the public convenience or necessity permits Rockies Express' proposed abandonment.

12. 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,

addressed by the Certificate Policy Statement are generally not implicated"); *see also MIGC Inc.*, 116 FERC ¶ 62,214, at 64,680 (2006) (stating that a company's reacquisition of leased capacity is consistent with the Certificate Policy Statement because the reacquisition would have no impact on the company's customers).

²⁰ *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).

²¹ 18 C.F.R. §§ 380.4(a)(27) & (29).

The Commission orders:

(A) Rockies Express is granted permission and approval under NGA section 7(b) to abandon 625,000 Dth/d of leased capacity to Overthrust, effective January 1, 2028, as described in this order, and more fully described in the application.

(B) A certificate of public convenience and necessity is issued to Overthrust under NGA section 7(c) authorizing it to reacquire the leased capacity of 625,000 Dth/d from Rockies Express, effective January 1, 2028, as described in this order, and more fully described in the application.

(C) The abandonment approval and certificate authorization issued in ordering paragraphs (A) and (B) are conditioned on Rockies Express and Overthrust complying with all applicable Commission regulations under the NGA and particularly section 154 and paragraphs (a), (d), and (e) of section 157.20 of the Commission's regulations.

(D) Rockies Express shall notify the Commission within 10 days of the date of abandonment of the leased capacity.

By the Commission.

(S E A L)

Debbie-Anne A. Reese,
Secretary.