

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell, Joseph T. Kelliher,
and Suedeem G. Kelly.

Vector Pipeline L.P.

Docket No. RP03-489-000

ORDER ACCEPTING UNCONTESTED SETTLEMENT

(Issued January 29, 2004)

1. On May 30, 2003, Vector Pipeline L.P. (Vector) filed a general rate case pursuant to Section 4 of the Natural Gas Act (NGA) and Part 154 of the Commission's regulations. On June 30, 2003, the Commission accepted and suspended for five months Vector's tariff sheets, subject to refund, to become effective December 1, 2003, and established a hearing.¹ On November 4, 2003, Vector submitted an uncontested offer of settlement with the Commission resolving all the issues that were set for hearing. As requested, the Administrative Law Judge (ALJ) suspended the procedural schedule and shortened the comment period regarding the settlement. The Commission's staff filed initial comments in support of the settlement. On November 17, 2003, the ALJ certified the uncontested settlement. The Commission will accept the settlement. This decision benefits the public because it approves an uncontested settlement that appears to be a fair and reasonable resolution of the issues in this proceeding.
2. The major features are as follows. Article I establishes the settlement recourse rates that Vector will be authorized to charge for service on its mainline. Article II provides that the tariff sheets filed in this case, as modified by the settlement, are accepted to be effective December 1, 2003. Article III governs depreciation, overall cost of service and rate design, and establishes a pre-tax rate of return of 12.96%.
3. Article IV section 4.1(a) requires Vector to file a subsequent Section 4 rate case no later than 60 months following the date the Commission issues a final, non-appealable order accepting the settlement without reservation or condition. In addition, the settlement does not prohibit or limit Vector's right to make rate, tariff, or certificate filings for any purpose at any time prior to the 60-month requirement noted above.

¹ Vector Pipeline L.P., 103 FERC ¶ 61,391 (2003).

4. The Commission may approve an uncontested offer of settlement upon a finding that the settlement appears to be fair and reasonable and in the public interest.² The Commission finds that the uncontested settlement agreement filed in this proceeding provides a resolution of the issues between the parties that appears to be fair and reasonable and in the public interest. Therefore, the Commission will approve the settlement to become effective December 1, 2003, as proposed. Approval of this settlement does not constitute a precedent regarding any principle or issue in this proceeding.

The Commission orders:

(A) The uncontested settlement is approved, effective December 1, 2003.

(B) Vector is directed to file, within 10 days of the issuance of this order, tariff sheets consistent with the revised *pro forma* tariff sheets and the settlement, to be effective December 1, 2003.

By the Commission.

(S E A L)

Magalie R. Salas
Secretary.

² 18 C.F.R. § 385.602(g)(3) (2003).