

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

February 12, 2004

In Reply Refer To:  
Kinder Morgan Border Pipeline, L.P.  
Docket Nos. PR04-1-000 and PR04-1-001

Kinder Morgan Border Pipeline, L.P.  
c/o Van Ness Feldman, PC  
1050 Thomas Jefferson, Street, NW  
7<sup>th</sup> Floor  
Washington, DC 20007

Attention: Paul Korman  
Attorney for Kinder Morgan Border Pipeline, L.P.

Reference: Stipulation and Agreement

Ladies and Gentlemen:

1. The Stipulation and Agreement (Settlement) filed by Kinder Morgan Border Pipeline, L.P. (Border) on January 15, 2004, reasonably resolves the issues in this proceeding, produces fair and equitable rates, and therefore, is approved. This order will benefit Border's current and potential shippers by affording them with alternative transportation services at reasonable rates.
2. The following is a summary of the major provisions of the Settlement.
  - a. Effective October 1, 2003, the maximum fair and equitable rates for NGPA Section 311 transportation service performed on Border's system are:

Mainline Firm Reservation	\$2.2381
Commodity Charge	\$0.0000
Mainline Interruptible	\$0.0736
Leased Firm Reservation	\$1.5208
Commodity Charge	\$0.0000
Leased Interruptible	\$0.0500
Fuel Use Rates	
Mainline	0.57%
Leased Facilities	
Banquete	0.98%
Ten Zim	0.30%
Thompsonville	0.28%
Leyendecker	0.25%

- b. Border represents that as of the date of the Settlement, it has not collected rates in excess of the maximum rates specified in this settlement; therefore, refunds will not be required. If rates in excess of the settlement rates are collected, Border agrees to make any necessary refunds within 30 days of date of this order.
- c. On or before October 1, 2006, Border has agreed to file a rate petition pursuant to Section 284.123(b)(2) of the Commission's regulations to justify its current rates or to establish new rates.
- d. The provisions of the Settlement shall not become effective unless and until the Commission issues an order accepting and approving all terms and conditions of the Settlement and such order becomes final and no longer subject to rehearing.
3. The Settlement was filed pursuant to Rule 602(f)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.602(f)(2)(2001). Pursuant to Border's request an expedited comment period was established with initial comments to be filed on or before January 22, 2004, and reply comments on or before January 27, 2004. No protests or adverse comments were filed.

4. This letter order does not relieve Border from its obligations to file the required reports under Part 284 of the Commission's regulations. The Commission's approval of this Settlement does not constitute a precedent regarding any principle or issue in this proceeding.

By direction of the Commission. Commissioner Brownell concurring with a separate statement attached.

Linda Mitry,  
Acting Secretary.

cc: All Parties

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Kinder Morgan Border  
Pipeline, L.P.

Docket Nos. PR04-1-000  
and PR04-1-001

(Issued February 12, 2004)

BROWNELL, Commissioner, concurring:

For the reasons set forth in Green Canyon Pipe Line Company, L.P., 98 FERC ¶ 61,041 (2002), I would not impose a triennial rate approval requirement on Section 311 pipelines. Here, Kinder Morgan Border Pipeline, L.P. has agreed to make a triennial rate approval filing as part of an overall settlement. Therefore, I agree with the result of this order which is to approve an uncontested settlement.

Nora Mead Brownell  
Commissioner