

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

(September 23, 2003)

In Reply Refer To:
Bridgeline Gas Distribution LLC
Docket No. PR02-14-001

Bridgeline Gas Distribution LLC
333 Clay Street, Suite 1200
Houston, TX 77002

Attention: Hugh Connett
President

Reference: Stipulation and Agreement

Dear Mr. Connett:

1. The Stipulation and Agreement (Settlement) filed by Bridgeline Gas Distribution LLC (Bridgeline) on July 17, 2003, reasonably resolves the issues in this proceeding, produces fair and equitable rates, and therefore, is approved. This order will benefit Bridgeline's current and potential shippers by affording them with alternative transportation and storage services at reasonable rates.
2. The following is a summary of the major provisions of the Settlement.
 - a. Effective March 29, 2002, the maximum fair and equitable rates for NGPA Section 311 transportation service performed on Bridgeline's system are a maximum interruptible rate of \$.0771 per MMBtu and a maximum firm usage rate of \$.0771 per MMBtu. Bridgeline is authorized to retain from its shippers .22% of volumes received to compensate Bridgeline for compressor fuel, company use and unaccounted for gas, effective March 29, 2002.
 - b. Effective March 29, 2002, the maximum fair and equitable rates for NGPA Section 311 storage performed on Bridgeline's system are a maximum interruptible rate of \$.1584 per MMBtu per average monthly balance, and a maximum firm rate of \$.1584 per MMBtu of contract capacity per month. Bridgeline is authorized to charge an injection/withdrawal fee equal to \$.0027 per MMBtu per activity, effective March 29, 2002. Bridgeline is also authorized to retain from its storage customers .86% of all volumes

injected into storage to compensate Bridgeline for company use, compressor fuel and unaccounted for gas, effective March 29, 2002.

- c. Bridgeline agrees to file an amended Statement of Operating Conditions to reflect that Bridgeline will charge a commodity only rate for its firm and interruptible transportation services, will charge firm storage customers a maximum rate based on contract capacity per month and that these rates will not exceed the maximum rates approved in this Order. Bridgeline agrees to file its amended Statement of Operating Conditions within 30 days of the date the Commission approves the Settlement.
 - d. Bridgeline agrees to file cost and throughput data in the form specified in 18 CFR § 154.313 on or before March 29, 2005, to allow the Commission to determine whether Bridgeline's rates remain fair and equitable.
3. Bridgeline represents that it has not charged rates in excess of those rates specified in 2(a) and 2(b) above, subsequent to March 29, 2002, for Section 311 service performed on its system. Accordingly, no refunds are due.
 4. 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.
 5. Initial comments on the Settlement were due by August 8, 2003, and reply comments were due by August 13, 2003. No comments were received.
 6. This letter order does not relieve Bridgeline of 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.

Magalie R. Salas,
Secretary.

cc: All parties

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Bridgeline Gas Distribution LLC

Docket No. PR02-14-001

(Issued September 23, 2003)

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, Bridgeline Gas Distribution LLC 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