

127 FERC ¶ 61,259
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Sudeen G. Kelly, Marc Spitzer,
and Philip D. Moeller.

East Tennessee Natural Gas, LLC

Docket No. CP01-415-019

ORDER VACATING CERTIFICATE AUTHORITY, IN PART

(Issued June 18, 2009)

1. On December 23, 2008, East Tennessee Natural Gas, LLC (East Tennessee) filed a motion requesting that the Commission vacate certificate authorization for portions of its Patriot Project that East Tennessee no longer intends to construct. As discussed below, the Commission grants East Tennessee's motion.

Background and Proposal

2. In an order issued November 20, 2002, the Commission authorized East Tennessee to construct and operate natural gas facilities in Tennessee and Virginia known as the Patriot Project.¹ The Patriot Project, as authorized, consisted of the construction of: 1) 93.6 miles of mainline pipeline, 82.3 miles of pipeline looping, a 7-mile lateral pipeline, and five compressor stations; 2) modifications to nine existing compressor stations; and 3) uprates to 76.7 miles of pipeline. Based on East Tennessee's estimate that the Patriot Project facilities, as approved, would cost approximately \$289.3 million, the Commission approved an initial recourse rate of \$10.156 per dekatherm (Dth), or \$0.3339 per Dth on a 100 percent load factor basis. The Commission's approval of this rate was premised on the construction of all the authorized facilities.²

3. At the time the Commission authorized the Patriot Project, Henry County Power, LLC and Duke Energy Wythe, LLC had each proposed to construct natural gas-fired electric generation facilities in Southern Virginia. Henry County Power and Duke

¹ *East Tennessee Natural Gas Co.* 101 FERC ¶ 61,188 (2002) (November 2002 Order).

² *See* 101 FERC ¶ 61,188, at P 24 (2002).

Energy have since decided not to proceed with construction of these power plants, and East Tennessee proposes here to reduce the scope of the Patriot Project facilities by not constructing authorized facilities associated with service to those power plants, as these facilities will not be needed.

4. East Tennessee states that it has completed and placed into service all the facilities necessary to serve shippers that currently require firm transportation service, and that it will not be constructing any of the additional facilities authorized in the November 2002 Order.³ Thus, as set forth more fully in the appendix to this order, East Tennessee no longer plans to construct the 7-mile lateral pipeline, 28 miles of pipeline loop, approximately 52 miles of pipeline upgrades, two compressor stations, modifications to several other compressor stations, and two meter stations.

Interventions

5. Notice of the application was published in the *Federal Register* on January 14, 2009 (74 Fed. Reg. 2066). No motions to intervene, protests, or notices of intervention were filed in response to the notice.

Discussion

6. We will grant East Tennessee's motion to vacate the certificate authority for construction and operation of the facilities set forth in the appendix. We accept East Tennessee's decision that there is no longer a need to construct those facilities in view of the fact that Henry County Power and Duke Energy Wythe are not constructing the generation facilities East Tennessee's facilities were intended to serve.⁴

³ The November 2002 Order required the authorized facilities to be constructed and placed in service by January 1, 2005. *Id.* at Ordering Paragraph (F). By unpublished letter order issued December 21, 2004, East Tennessee was granted an extension of time until January 1, 2007, to construct and make available for service the facilities authorized in the November 2002 Order. A further extension of time, until January 1, 2009, was granted by unpublished letter order issued December 21, 2006.

⁴ We note that although East Tennessee will not be constructing a significant portion of the facilities underlying the initial rates established for the Patriot Project in the Commission's November 2002 Order, East Tennessee's June 1, 2009 statement of costs for the Patriot Project shows that the actual costs associated with those facilities that were constructed exceed the originally estimated costs of the entire project.

The Commission orders:

The Commission grants East Tennessee's motion and vacates, in part, the certificate authority granted in the November 2002 Order to construct and operate the facilities set forth in the appendix.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

APPENDIX

- 7.04 miles of 16-inch lateral pipeline in Rockingham County, NC and Pittsylvania and Henry Counties, VA;
- 8.96 miles of 24-inch pipeline loop (Loop C) in Knox County, TN;
- 8.74 miles of 20-inch pipeline loop (TVA Loop 3) located in Moore and Franklin Counties, TN;
- 4.12 miles of 20-inch pipeline loop (Loop 2) located in Franklin and Grundy Counties, TN;
- 6.08 miles of 20-inch pipeline loop (Loop 3A) located in Sequatchie and Hamilton Counties, TN;
- 6.06 miles of uprated pipeline (part of Uprate C) located in Roane County, TN;
- 5.44 miles of uprated pipeline (TVA Uprate) located in Franklin County, TN;
- 14.87 miles of uprated pipeline (Uprate D) located in Hamilton County, TN;
- 7.0 miles of uprated pipeline (Uprate 2) located in Grundy County, TN;
- 18.65 miles of uprated pipeline (Uprate L) located in Greene and Washington Counties, TN;
- New compressor station 3212 in Hamilton County, TN;
- New compressor station 3303 in Jefferson County, TN;
- Additional compression at compressor stations 3110, 3206, 3308, and 3309;
- Replacement of the aerodynamic assembly at compressor stations 3206, 3209, and 3309;
- DENA Wythe meter station in Wythe County, VA;
- Henry County Meter Station in Henry County, VA.