

132 FERC ¶ 61,041  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

July 15, 2010

In Reply Refer to:  
Great Lakes Gas Transmission  
Limited Partnership  
Docket No. RP10-149-000

M. Catharine Davis  
Associate General Counsel  
Great Lakes Gas Transmission  
Limited Partnership  
717 Texas Street  
Houston, TX 77002

Mark F. Sundback  
Kenneth L. Wiseman  
Jennifer L. Spina  
Lisa M. Purdy  
Andrews Kurth LLP  
1350 I Street, NW  
Suite 1100  
Washington, DC 20005

Re: Letter Order Approving Uncontested Settlement

Dear Counsel:

1. On November 19, 2009, the Commission, after finding that Great Lakes Gas Transmission Limited Partnership (Great Lakes) may be substantially over-recovering its cost of service, thereby causing Great Lakes' existing rates to be unjust and unreasonable, issued an order<sup>1</sup> initiating an investigation, pursuant to section 5 of the Natural Gas Act (NGA), to determine whether the rates currently charged by Great Lakes are just and reasonable, and setting the matter for hearing.

2. On May 21, 2010, Great Lakes, acting under Rule 602 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.602 (2010), and acting on behalf of the active participants filed a Stipulation and Agreement and related materials (Settlement). The Settlement resolves all issues in this proceeding. Among other things, the Settlement reduces Great Lakes' firm transportation rates by about 8 percent effective May 1, 2010. Great Lakes will also share with qualifying shippers 50 percent of revenues in excess of \$500 million which Great Lakes receives during the two-year period November 1, 2010

---

<sup>1</sup> *Great Lakes Gas Transmission Limited Partnership*, 129 FERC ¶ 61,160 (2009).

through October 31, 2012 for jurisdictional service. The Settlement prohibits Great Lakes from filing an NGA section 4 rate case before June 1, 2011, and requires Great Lakes to file such a rate case no later than November 1, 2013. The Settlement also includes a moratorium on the initiation of NGA section 5 proceedings to modify the Settlement terms or rates to be effective before November 1, 2012.

3. Commission Trial Staff, Shell Energy North America (US), L.P., the America Forest and Paper Association, the Process Gas Consumers Group, the United States Gypsum Company, the Michigan Public Service Commission, the American Public Gas Association, BP Canada Energy Marketing Corporation, the Canadian Association of Petroleum Producers, and Great Lakes Local Distribution Company Group filed initial comments. These comments either supported or did not oppose the Settlement. No reply comments were filed.
4. On June 17, 2010, the Presiding Judge certified the Settlement to the Commission as uncontested.<sup>2</sup>
5. The main provisions of the Settlement may be summarized as follows.
6. Article I provides an overview of the purpose and scope of the Settlement, stating that it resolves all issues in this proceeding, and that no provision is severable from the others.
7. Article II provides the background and procedural history of this proceeding.
8. Article III discusses the rate modifications, contained in Appendix B of the Settlement, and the implementation of those modifications. The Article provides a chart that shows how the Settlement alters the prior depreciation rates.
9. Article IV discusses revenue sharing between Great Lakes and “qualifying shippers.” The Article describes the revenue subject to sharing and describes who are the qualifying shippers eligible to receive such revenue.
10. Article V describes moratoria on filings to modify the Settlement under Natural Gas Act (NGA) sections 4 and/or 5. After approval of the Settlement, the standard of review for any proposed changes to the Settlement, other than those initiated by Great Lakes pursuant to an NGA section 4 proceeding, shall be the “*Mobile-Sierra* public interest” standard to the full extent legally permissible.

---

<sup>2</sup> *Great Lakes Gas Transmission Limited Partnership*, 131 FERC ¶ 63,023 (2010).

11. Article VI requires Great Lakes to file a general rate case no later than November 1, 2013.
12. Article VII describes the design of interruptible and overrun rates and the sharing of revenue collected under those rates.
13. Article VIII identifies the “Sithe Expansion” and the “RG&E Expansion,” and describes the rolling in of the costs of those expansions.
14. Article IX discusses (i) when the Settlement rates shall become effective; (ii) which rates shall be subject to repayment if the Settlement does not become effective; and (iii) the identification and treatment of “Disputing Parties.”
15. Article X provides for the reservations in the Settlement. The Article sets out the rights and obligations of Great Lakes and the other participants, and limits use of the Settlement in future proceedings.
16. Article XI states when the Settlement shall become effective, when it shall be deemed approved, and the impact of its conditional approval, modification, or rejection.
17. Article XII requests that the Commission approve the Settlement unconditionally, authorize its implementation on the effective dates contained therein, and waive all regulations that otherwise would prevent its implementation.
18. The Settlement appears to be fair and reasonable and in the public interest, and is hereby approved. The Commission’s approval of the Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.
19. This letter terminates Docket No. RP10-149-000.

By direction of the Commission. Commissioner LaFleur voting present.

Kimberly D. Bose,  
Secretary.

cc: All parties of record