

Attachment A

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

June ____, 2016

In Reply Refer To:
Colorado Interstate Gas Company, L.L.C.
Docket Nos. RP16-____-000
and RP11-2107-000

Colorado Interstate Gas Company, L.L.C.
P.O. Box 1087
Colorado Springs, CO 80944

Attn: Mr. William D. Wible, Vice President, Regulatory

Reference: Petition for Approval of Stipulation and Agreement

Dear Mr. Wible:

1. On June [REDACTED], 2016, pursuant to Rule 207(a)(5) of the Commission's Rules of Practice and Procedure,¹ Colorado Interstate Gas Company, L.L.C. (CIG) filed a petition for approval of an uncontested Stipulation and Agreement (Settlement) that, among other things, would resolve all issues related to CIG's transportation and storage rates during the term of the Settlement. The Settlement is uncontested and allows the parties to resolve the issues in a mutually agreeable manner and avoid the uncertainty and expense of a formal proceeding before the Commission. Accordingly, the Commission grants the petition and approves the Settlement as it appears fair and reasonable and in the public interest. The Commission also grants any waivers necessary to permit the implementation of the terms of the Settlement.

2. Article I provides a brief background to the Settlement. Article II provides that CIG's obligations under the settlement previously approved in Docket No. RP11-2107-000 are extinguished. The Settlement resolves all issues relating to whether the rates for CIG's transportation and storage services are lawful under the Natural Gas Act (NGA).

3. During its term, the Settlement establishes under Article III CIG's maximum and minimum base settlement rates for transportation and storage services. The Settlement also sets forth the depreciation rates to be used by CIG. Article III continues in a modified form a revenue crediting mechanism applicable to certain services and terminates the North Raton Lateral crediting mechanism on October 1, 2016. Additionally, Article III addresses CIG's post-retirement benefits

¹ 18 C.F.R. § 385.207(a)(5) (2015).

other than pension expenses and contributions to the third-party pension trust fund. Finally, CIG stipulates that the Settlement does not constitute a recent review of its base rates for purposes of meeting that standard in the *Cost Recovery Mechanisms for Modernization of Natural Gas Facilities* Policy Statement.²

4. Article IV provides for CIG to file and implement certain changed tariff records to be effective January 1, 2017.

5. Under Article V, CIG will file to abandon its existing facilities commonly known as the Rawlins Processing Plant. CIG will establish a regulatory asset associated with the proposed abandonment and fully amortize that regulatory asset by the end of the term of the Settlement. Additionally, Article V specifies CIG will assume the risk for certain costs and may seek to recover certain costs associated with the Rawlins Processing Plant and any new capital investment for additional plant or facilities required to return the Rawlins Processing Plant to service. Finally, Article V discusses certain aspects of gas quality.

6. Article VI provides that the term of the Settlement extends from January 1, 2017 until the earlier of: 1) the date that rates become effective as a result of a general system-wide rate case applicable to all of CIG's shippers, or 2) the date that rates become effective pursuant to action taken by the Commission under section 5 of the NGA, or 3) April 1, 2022. The consenting parties agree in Article VI to waive NGA section 5 rights they otherwise would have to contest the Settlement rates prior to October 1, 2020. CIG may file a new system-wide rate case applicable to all of CIG's shippers on or after October 1, 2020 but must file a rate case to be effective no later than April 1, 2022. Article VI provides that in the next rate case, CIG must comport with certain parameters in allocating costs to No-Notice Transportation Services. The standard of review for any other changes (other than those permitted or limited above) during the term of the Settlement shall be reviewed by the Commission in accordance with the appropriate standards established by sections 4 and 5 of the NGA.

7. Article VII governs the effectiveness of the Settlement. Article VIII sets forth reservations and limitations and provides, among other things, that the Settlement represents a negotiated settlement and relates only to the specific matters referred to therein.

8. The Commission issued a public notice of the Settlement with all interventions and protests due as provided by 18 C.F.R. § 154.210 (2015) of the Commission's regulations. Pursuant to Rule 214 (18 C.F.R. § 385.214 (2010)), all timely filed motions to intervene and any motions to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. All of the parties filing comments either support or do not oppose the Settlement.

9. The Commission finds that the proposed Settlement appears to be fair and reasonable and in the public interest, and it is hereby approved, effective January 1, 2017, pursuant to its terms. The Settlement, which was filed in lieu of a rate case, resolves system-wide rate issues without a hearing and lengthy litigation, consistent with the Commission's guidance for settlements outside

² 151 FERC ¶ 61,047 at P. 2 (2015), order denying clarification, 152 FERC ¶ 61,046 (2015).

the context of an existing proceeding.³ The Commission's approval of this Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.

10. Consistent with the Settlement, the Commission directs CIG to file actual tariff records identical to the Settlement's pro forma tariff provisions no more than 60 days and no less than 30 days prior to January 1, 2017. The Commission will treat such a filing as a filing to comply with this letter order approving the Settlement, and the Commission will place the tariff records properly implementing the Settlement, as approved, into effect on January 1, 2017.

11. This letter order terminates Docket No. RP16-____-000 and Docket No. RP11-2107-000.

By direction of the Commission.

Kimberly D. Bose,
Secretary

³ See, e.g., Dominion Transmission, Inc., 111 FERC ¶ 61,285 (2005).

Attachment B

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Colorado Interstate Gas Company, L.L.C.) Docket Nos. RP16-____-000
Colorado Interstate Gas Company) and RP11-2107-000

NOTICE OF PETITION FOR APPROVAL OF SETTLEMENT AGREEMENT

(June ____, 2016)

Take notice that on June ____, 2016, Colorado Interstate Gas Company, L.L.C. (“CIG”) tendered for filing a “Petition for Approval of Stipulation and Agreement” (“Petition”). CIG seeks approval of the filed Stipulation and Agreement and associated pro forma tariff records (“Settlement Agreement”).

CIG states that copies of the Petition and the Settlement Agreement have been served upon all of its customers as well as interested state commissions.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission’s Rules of Practice and Procedure (18 CFR § 385.211 and § 385.214) on or before 5:00 p.m. Eastern Time on the specified comment date. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. Such notices, motions, or protests must be filed on or before the date as indicated below. Anyone filing an intervention or protest must serve a copy of that document on the Applicant. In reference to filings initiating a new proceeding, interventions or protests submitted on or before the comment deadline need not be served on persons other than the Applicant.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the “eFiling” link at <http://www.ferc.gov>. The filings in the above proceedings are accessible on-line at <http://www.ferc.gov>, using the “eLibrary” link and are available for review in the Commission’s Public Reference Room in Washington, D.C. There is an “eSubscription” link that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: 5:00 pm Eastern Time on June ____, 2016.

Kimberly D. Bose,
Secretary