

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D.C. 20426

May 3, 2006

In Reply Refer To:
Dow Intrastate Gas Company
Docket Nos. PR06-8-000 and PR06-8-001

JOHN & HENGERER
1200 17th Street, N.W., Suite 600
Washington, DC 20036-3013

Attention: Douglas F. John
Counsel for Dow Intrastate Gas Company

Reference: Stipulation and Agreement

Dear Mr. John:

1. On April 17, 2006, Dow Intrastate Gas Company (DIGCO) filed a Stipulation and Agreement (Settlement) pursuant to Rule 602 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.602 (2005). The Settlement resolves all rate issues with regard to the rate petition filed by DIGCO on December 15, 2005.
2. The following is a summary of the major provisions of the Settlement.
 - a. Effective June 1, 2005, the fair and equitable rates for transportation service pursuant to section 311 of the Natural Gas Policy Act of 1978 (NGPA) performed on DIGCO's pipeline shall consist of a maximum interruptible rate of \$0.0387 per Dth, plus 0.2 percent in-kind fuel reimbursement.
 - b. DIGCO agrees to revise its Statement of Operating Conditions (SOC) to reflect the elimination of section 10.4 (relating to third party transportation charges) and Section 12.7 (relating to transportation service deposits). DIGCO agrees to file its revised SOC within 15 days of the date the Commission approves this Settlement.

- c. On or before June 1, 2008, DIGCO shall file a petition pursuant to section 284.123(b)(2) of the Commission's regulations to justify its current rates or establish new rates applicable to NGPA Section 311 service.
- d. The provisions of the Settlement shall not become effective unless and until the Commission enters an order accepting and approving all terms and conditions of the Settlement without modification or condition, and such order becomes final and no longer subject to further proceeding before the Commission.
- e. The Settlement represents a negotiated agreement of the issues in this proceeding. Neither DIGCO, the Commission, its Staff, nor any other party shall be deemed to have approved, accepted, agreed, or otherwise consented to any principle or issue in this proceeding.

3. A shortened comment period was established with initial comments to be filed on or before April 26, 2006, and reply comments to be filed on or before May 1, 2006. No adverse comments or protests were filed. Pursuant to section 385.602(g)(3) of our settlement rules, 18 C.F.R. § 385.602(g)(3) (2005), the Commission finds that the uncontested settlement is fair and reasonable and in the public interest, and therefore the Settlement is approved.

4. This letter order does not relieve DIGCO of its obligation 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.

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Dow Interstate Gas Company

Docket Nos. PR06-8-000
and PR06-8-001

(Issued May 3, 2006)

Nora Mead 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, the pipeline has agreed to make a triennial rate 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