129 FERC ¶ 61,178
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

November 24, 2009

In Reply Refer To:
Cameron Interstate Pipeline LLC
Docket No. RP10-57-000

Cameron Interstate Pipeline LLC
101 Ash Street, HQ-12
San Diego, CA 92101

Attention: William D. Rapp, Senior Regulatory Counsel

Reference: Decrease in Depreciation Rates and Limited Waiver of Filing Requirements

Ladies and Gentlemen:

1. On October 19, 2009, Cameron Interstate Pipeline LLC (Cameron) filed a revised tariff sheet, Second Revised Sheet No. 6 to its FERC Gas Tariff, Original Volume No. 1, reflecting a proposed decrease in its currently effective maximum transportation rates for firm and interruptible transportation service,[1] to become effective December 1, 2009. The reduced transportation rates are due to Cameron's request to increase the depreciable life of its facilities, resulting in a decrease in its annual depreciation rate. Cameron also requests a limited waiver of the filing requirements delineated in 18 C.F.R. § 154.313 (2009) for accompanying schedules and statements supporting minor rate changes. The Commission grants the requested waiver and accepts Cameron's revised tariff sheet, Second Revised Sheet No. 6, effective December 1, 2009, as proposed.

2. Cameron was constructed for the purpose of connecting the Cameron LNG, LLC liquefied natural gas terminal (Cameron LNG terminal) in Southern Louisiana to four interstate pipelines. Cameron proposes to change the depreciable life of its facilities from

[1] Cameron's currently effective transportation rates were approved by the Commission in an unpublished letter order issued on September 5, 2008, in Docket Nos. CP05-119-004 and CP05-121-003.

35 years to 50 years based on a depreciation study performed by Cameron LNG terminal that: (1) analyzed the lives of other LNG terminals currently in operation; (2) considered regulatory restrictions that could impact the useful life of the terminal; and (3) factored in the expected useful lives of individual components of the Cameron LNG terminal. Based on this study, Cameron states it determined that the Cameron LNG terminal would have a maximum depreciable life of 50 years. Cameron states that given the dependence of the Cameron LNG terminal for its gas supplies, the useful life of its pipeline system is inextricably tied to the useful life of the Cameron LNG terminal, as Cameron transports gas from the Cameron LNG terminal to interconnections with other pipelines which transport the gas to market areas. Cameron states its pipeline is not attached to any supply source other than Cameron LNG terminal, nor is it directly connected to any markets.

3. Cameron states that the adoption of a 50-year depreciable life would result in a reduction in its annual depreciation rate from 2.86 percent to 2.00 percent, and therefore a lower depreciation expense, but otherwise uses the cost of service and billing determinants underlying its currently effective transportation rates. Cameron states the change in depreciation rate results in decreased rates for Rate Schedule FT to $1.3098 per Dth (from the currently effective maximum monthly reservation charge of $1.3607 per Dth), and for Rate Schedule IT to $0.0431 per Dth (from the currently effective maximum monthly transportation charge of $0.0447 per Dth). Cameron states it has two firm transportation customers, with one paying a fixed negotiated rate and the other paying a discounted rate, and that both of these rates are below the revised maximum Rate Schedule FT rate proposed in the instant filing.

4. Notice of Cameron’s filing issued on October 21, 2009. Interventions and protests were due as provided in section 154.210 of the Commission’s regulations, 18 C.F.R. § 154.210 (2009). Pursuant to Rule 214, 18 C.F.R. § 385.214 (2009), 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 this proceeding or place additional burdens on existing parties. No protests or adverse comments were filed.

5. Cameron’s proposal to modify only one component of its existing rates is reasonable and supported by the reasons stated by Cameron and by the additional explanation and support attached in Appendix C of the filing. Accordingly, the Commission accepts Second Revised Sheet No. 6, effective December 1, 2009, as proposed. For good cause shown, the Commission grants Cameron’s request for a limited waiver of 18 C.F.R. § 154.313 (2009) for schedules for minor rate changes. Cameron’s rate filing is limited to implementing a reduction to both its depreciation rate and currently effective maximum transportation rates for firm and interruptible service. Granting this waiver allows Cameron’s proposed depreciation rate change to be reviewed without submitting unassociated schedules or statements and is consistent with previous

Commission action.[2] The proposed depreciation rate change will not adversely impact Cameron's transportation or reservation rates or any of Cameron's shippers.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

cc: Public Files
All Parties

[2] *Midwestern Gas Transmission Company*, 127 FERC ¶ 61,202 (2009); *Panhandle Eastern Pipe Line Company*, 75 FERC ¶ 61,330 (1996).