

171 FERC ¶ 61,167
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

May 26, 2020

In Reply Refer To:
Pine Needle LNG Company, LLC
Docket No. RP20-780-000

Pine Needle LNG Company, LLC
c/o Pine Needle Operating Company
2800 Post Oak Boulevard
P. O. Box 1396
Houston, TX 77251-1396

Attention: Carolyn K. McCormick, Attorney

Dear Ms. McCormick:

1. On April 10, 2020, pursuant to Rule 207 of the Commission's Rules of Practice and Procedure¹ and in lieu of filing a general Natural Gas Act (NGA) section 4 rate case, Pine Needle LNG Company, LLC (Pine Needle) filed a negotiated stipulation and agreement (Settlement), along with *pro forma* tariff records, providing for changes in Pine Needle's rates, as described below. The North Carolina Utilities Commission, Public Service Company of North Carolina, Inc., and the Municipal Gas Authority of Georgia separately filed comments supporting the Settlement. We approve Pine Needle's Settlement, as proposed, and direct Pine Needle to file actual tariff records, consistent with the terms of the Settlement.
2. Pine Needle states that it has engaged in discussions with its customers and the North Carolina Utilities Commission, which resulted in the instant Settlement agreement.

¹ 18 C.F.R. § 385.207 (2019).

According to Pine Needle, the filed agreement settles all aspects of Pine Needle's rate case filing obligation required by the Settlement that was approved by the Commission in Docket No. RP17-204-000 on December 30, 2016.²

3. The Settlement provides for a total cost of service of \$11,100,000, to become effective as of June 1, 2020. Pine Needle states that the Settlement reflects decreased rates under Rate Schedules LNG-1 and LNG-2. The Settlement also establishes depreciation and negative salvage rates as provided in Appendix A to the Settlement and requires Pine Needle to provide a new depreciation study and terminal decommissioning estimate in its next general NGA section 4 rate case. Further, the Settlement relieves Pine Needle of the obligation to file a general NGA section 4 rate case as required by the terms of the 2016 Settlement and requires Pine Needle to file a general NGA section 4 rate case no later than May 1, 2023. Finally, the Settlement provides that, once approved, the standard of review to be applied by the Commission in considering any changes will be "the 'public interest' standard set forth in *United Gas Pipe Line Co. v. Mobile Gas Serv. Co.*, 350 U.S. 332 (1956) and *Fed. Power Comm'n v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), except that with respect to any such change sought by a non-settling third party or the Commission acting *sua sponte*, the standard of review to be applied shall be the 'just and reasonable' standard."

4. Public notice of the filing was issued on April 14, 2020. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.³ Pursuant to Rule 214,⁴ all timely filed motions to intervene and any unopposed motion 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. No comments opposing the settlement were filed.

5. The Settlement appears to be fair and reasonable and in the public interest. The Settlement is supported or not opposed by all parties to the proceeding. Furthermore, the Settlement satisfies Pine Needle's obligation to file a general rate case under section 4 of

² *Pine Needle LNG Co., LLC*, 157 FERC ¶ 61,253 (2016) (2016 Settlement). By order issued on April 20, 2020, the 2016 Settlement was amended to provide that, in the event the Commission rejects the 2020 Settlement, Pine Needle is obligated to file a general section 4 rate case within 60 days from the date the 2020 Settlement is rejected. See *Pine Needle LNG Co., LLC*, 171 FERC ¶ 61,060 (2020).

³ 18 C.F.R. § 154.210 (2019).

⁴ 18 C.F.R. § 385.214.

the NGA as required by the 2016 Settlement. Therefore, we approve the Settlement as proposed, to become effective June 1, 2020. We direct Pine Needle to file actual tariff records consistent with the Settlement in eTariff format as required by Order. No. 714.⁵ The Commission's approval of the Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁵ *Electronic Tariff Filings*, Order No. 714, FERC Stats. & Regs. ¶ 31,276 (2008) (cross-reference at 124 FERC ¶ 61,270).