

DEPARTMENT OF ENERGY**Federal Energy Regulatory
Commission****[Docket No. CP01-141-000]****PG&E Gas Transmission, Northwest
Corporation; Notice of Application**

April 4, 2001.

Take notice that on April 2, 2001, PG&E Gas Transmission, Northwest Corporation (PG&E), 1400 SW Fifth Avenue, Suite 900, Portland, Oregon, 97201, filed an application pursuant to Section 7(c) of the Natural Gas Act for authorization to increase compression at five existing compressor stations and to install approximately 21 miles of pipeline looping, all as more fully set forth in the application on file with the Commission and open to public inspection. This filing may be viewed on the web at <http://www.ferc.fed.us/online/htm> (call 202-208-2222 for assistance).

PG&E states the purpose of the project is to provide additional firm service under its existing Part 284 blanket certificate, with partial service commencing November 1, 2001, and full service commencing in the summer of 2002. These facilities, it is asserted will allow PG&E to bring more than 207,000 Mcf per day (210,800 Dth per day) of additional 20,380 Dth per day of winter only capacity will also be made available. PG&E requests that the Commission issue a decision by August 1, 2001 to allow PG&E to place the looping portion of its proposed facilities in service in time for the 2001 winter heating season and the compression facilities in service in time for the 2002 summer cooling season.

To meet its proposed aggressive schedule, PG&E requests authorization to construct a 21-mile long, 42-inch-diameter loop of its existing mainline system in Kootenai County, Idaho and Spokane County, Washington, and to increase system compression by 97,500 HP (ISO) at five existing compressor stations (Stations 4, 6, 8, 10 and 12) in Bonner County, Idaho; Spokane County, Washington; Walla Walla County, Washington; Sherman County, Oregon; and Deschutes County, Oregon, respectively (referred to herein as "Expansion Project"). The additional compression will add approximately 169,000 Dth per day of annual capacity to the pipeline and the additional compression will add approximately 169,000 Dth per day of annual capacity to the pipeline and the additional looping will add approximately 42,000 Dth per day of annual capacity.

PG&E proposes to construct approximately 21 miles of 42-inch-diameter pipeline looping, beginning at MP 87.4 near PG&E's existing Compressor Station 5 near Athol, Idaho and ending at MP 108.4 near PG&E's existing MLV 5-2 near East Farms, Washington. A total of 19.4 miles of pipeline will be constructed in Idaho and 1.6 miles of pipeline will be constructed in Washington. The proposed pipeline loop will be within the 100-foot permanent right-of way ("ROW") of the existing mainline system and will be installed parallel to and 20 feet east of existing Pipeline B. The proposed pipeline loop will be tied-in to the mainline system at Compressor Station 5 (MP 87.6) and at existing MLV 5-2 (MP 108.3).

PG&E indicates it held an open season extending from January 2 through February 15, 2001, to solicit interest in its proposed expansion of approximately 200,000 Mcf per day of capacity to be made available no later than November 1, 2002. PG&E states prospective shippers submitted bids for more than 2 Bcf/day of long-term, firm capacity at maximum rates, most of whom indicated that they would prefer an earlier in-service date, if possible. PG&E explains that at the close of the open-season period, it executed binding precedent agreements, one for 175,000 Dth per day of capacity for 52 years and another for the remaining 35,800 Dth per day of capacity for 40 years.

PG&E states that the Expansion Project is well-timed to bring needed gas supplies to California and the Pacific Northwest. PG&E notes that the two winning bidders of the expansion capacity, Newport Northwest, LLC and Calpine Energy Corporation, will utilize this capacity to deliver the natural gas required to fuel their new gas-fired electric generating plants located in the Pacific Northwest and California. The addition of natural gas transportation capacity will facilitate the introduction of new power supplies into those regions, which PG&E maintains will help alleviate the current energy crisis.

PG&E indicates it will provide the new services on an open-access basis under its Part 284 open-access blanket transportation certificate and pursuant to its FERC Gas Tariff, First Revised Volume No. 1-A. PG&E proposes to charge its generally applicable Part 284 rates for service rendered through the proposed facilities. In addition, consistent with PG&E's previous expansion, PG&E proposes to charge its Competitive Equalization Surcharge ("CES"). This surcharge is designed to ensure that all shippers participating in recent expansions pay equivalent rates

for services. PG&E asserts that all CES revenue received will be refunded to shippers through PG&E's existing CES refund methodology as set forth in paragraph 35 of the General Terms and conditions of PG&E's FERC Gas Tariff, First Revised Volume No. 1-A.

PG&E's proposed \$121.6 million expansion will increase PG&E's annual cost of service by approximately \$20.5 million, an increase of approximately 9.9 percent over the cost of service underlying PG&E's general system rates. PG&E maintains that rolling the cost of the Expansion Project in with PG&E's general system costs would result in a decrease in PG&E's general system rates of approximately 0.19 percent. Thus, PG&E requests an advance determination that the costs of the Expansion Project may be rolled into PG&E's systemwide rates in PG&E's next general NGA § 4 rate case.

PG&E states that the additional compression may affect PG&E's fuel costs which are recovered through a separate tracking mechanism. When the initial looping proposed is placed into service, there will be a downward pressure on PG&E's fuel rate; however, when the new compressors are placed into service, PG&E concedes there could be an increase in fuel usage as a result of increased fuel needs to operate the new compressors. PG&E explains that whether the systemwide cost of fuel would increase would depend on many factors including total pipeline volumes, which would increase, and load factors, receipt and delivery point path, and the price of fuel. In addition, PG&E states that the new compressors are more fuel efficient and have lower emissions than the existing compressors and will generally be used prior to the older compressors.

PG&E states that the expansion will not have any adverse impact on existing pipelines and their captive customers. It is noted that both entities subscribing to the proposed capacity are developing new electric generation that is not served by any existing pipeline facility. PG&E asserts the impact on landowners and other stakeholders will be minimal also since all of the station construction for this Expansion Project will take place on PG&E's existing compressor station property, or in the case of one station, on federal land under existing permits. The limited amount of pipeline looping, it is indicated, will be entirely in PG&E's existing right of way (ROW) and acquisition of additional land rights will be minimal.

Any questions regarding the application should be directed to John Roscher, Director, Rate & Regulatory Affairs, PG&E Transmission, Northwest

Corporation, 1400 SW Fifth Avenue, Suite 900, Portland, Oregon 97201, (503) 833-4254.

Any person desiring to be heard or to make any protest with reference to said application should on or before April 25, 2001, file with the Federal Energy Regulatory Commission, Washington, DC 20426, a motion to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 385.214 or 385.211) and the Regulations under the Natural Gas Act (18 CFR 157.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a motion to intervene in accordance with the Commission's Rules. Comments and protests may be filed electronically in lieu of paper. See 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's website at <http://ferc.fed.us/efl/doorbell.htm>.

A person obtaining intervenor status will be placed on the service list maintained by the Secretary of the Commission and will receive copies of all documents filed by the applicant and by every one of the intervenors. An intervenor can file for rehearing of any Commission order and can petition for court review of any such order. However, an intervenor must submit copies of comments or any other filing it makes with the Commission to every other intervenor in the proceeding, as well as 14 copies with the Commission.

A person does not have to intervene, however, in order to have comments considered. A person, instead, may submit two copies of comments to the Secretary of the Commission. Commenters will be placed on the Commission's environmental mailing list, will receive copies of environmental documents and will be able to participate in meetings associated with the Commission's environmental review process. Commenters will not be required to serve copies of filed documents on all other parties. However, commenters will not receive copies of all documents filed by other parties or issued by the Commission and will not have the right to seek rehearing or appeal the Commission's final order to a federal court.

The Commission will consider all comments and concerns equally, whether filed by commenters or those requesting intervenor status.

Take further notice that pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Energy Regulatory Commission by Sections 7 and 15 of the Natural Gas Act and the Commission's Rules of Practice and Procedure, a hearing will be held without further notice before the Commission or its designee on this application if no motion to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a motion for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be necessary for East Tennessee to appear or to be represented at the hearing.

David P. Boergers,

Secretary.

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. CP00-68-001]

Questar Pipeline Company; Notice of Amendment

April 4, 2001.

Take notice that on March 30, 2001, Questar Pipeline Company (Questar), 180 East 100 South, Salt Lake City, Utah 84111, filed in Docket No. CP00-68-001, an amendment to its initial application filed in Docket No. CP00-68-000, requesting authority to modify the compression and pipeline facilities, all as more fully set forth in the application on file with the Commission and open to public inspection. This filing may also be viewed on the web at <http://www.ferc.fed.us/online/rims.htm>. (Call 202-208-2222 for assistance.)

On January 10, 2000, Docket No. CP00-68-000, Questar filed to construct and operate a 24-inch diameter loop of an existing section of its M.L. No. 40 and the entirety of its M.L. No. 41 (known as M.L. No. 104) and to increase the site-rated horsepower of compression at the existing Oak Spring Compressor Station near Price, Utah. The Commission on December 14, 2000 issued a "Preliminary Determination on Non-Environmental Issues," 93 FERC ¶ 61,279 (2000).

In the amended application, Questar states that recent market developments have required modifications to its initially proposed M.L. No 104 facilities. Questar indicates that these modifications include the installing of larger compressor engines at the existing Oak Spring Compressor Station; the changing of the 24-inch diameter pipe-yield strength from X-65 to X-70 to provide greater pipe strength while reducing the quantity of steel that is required in the manufacturing process; and the changing in the pipe wall thickness from 0.375 to 0.500-inch for the 18-mile section of the proposed pipeline extending from Payson to Elberta, Utah.

Questar states further, in the amended application, that the terms of the Questar/CIG Supply Partnership Agreement have changed. Upon the M.L. No. 104 facilities in-service date, Questar states that it will sell CIG Supply a 31.3 percent undivided interest, rather than 50 percent, in the M.L. No 104 project at Questar's cost. With this move, Questar states it will be retaining a 68.7 percent interest in the M.L. No 104 facilities.

Questar also states that it has renegotiated the transportation service agreement with CIG Resources Company (CIG Resources) in that Questar has sold to replacement shippers, the reserved daily capacity on M.L. No 104 that CIG Resources did not keep. In addition, Questar states that it sold the 2,000 Dth per day of M.L. No 104 capacity previously unsold and that the entire 272,000 Dth per day of incremental capacity created by the M.L. No 104 project is now fully subscribed.

Any questions regarding this application should be directed to Alan K. Allred, Questar Regulated Services Company, 180 East 100 South, P.O. Box 43560, Salt Lake City, Utah 84145-0360, at 1-801-324-5768.

There are two ways to become involved in the Commission's review of this project. First, any person wishing to obtain legal status by becoming a party to the proceedings for this project should, on or before April 16, 2001, file with the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, a motion to intervene in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 385.214 or 385.211) and the Regulations under the NGA (18 CFR 157.10). A person obtaining party status will be placed on the service list maintained by the Secretary of the Commission and will receive copies of all documents filed by the applicant and by all other parties. A party must submit 14 copies