

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

May 5, 2005

In Reply Refer To:
Magic Valley Pipeline, L.P.
Docket Nos. PR05-6-000
and PR05-6-001

Calpine Corporation
717 Texas Avenue
Suite 1000
Houston, TX 77002

Attention: Deborah Shelton
Vice President & Managing Counsel

Reference: Stipulation and Agreement

Ladies and Gentlemen:

1. The Stipulation and Agreement (Settlement) filed by Magic Valley Pipeline, L.P. (Magic Valley) on April 12, 2005, reasonably resolves the issues in this proceeding, produces fair and equitable rates, and is therefore approved. This order benefits Magic Valley's current and potential shippers by affording them transportation services at fair and equitable rates.
2. The following is a summary of the major provisions of the Settlement:
 - a. Effective December 27, 2004, the maximum fair and equitable rates for NGPA section 311 transportation services performed on Magic Valley's system are a monthly demand charge of \$0.9614 per Dth for firm service; a firm commodity rate of \$0.0000 per Dth; and a maximum interruptible rate of \$0.0316 per Dth.
 - b. The provisions of the Settlement shall not become effective unless and until the Commission issues an order accepting and approving all terms and conditions of the Settlement and such order becomes final and no longer subject to rehearing.

- c. Magic Valley agrees to file a rate petition under section 311 of the NGPA on or before December 27, 2007 to allow the Commission to determine whether Magic Valley's transportation rates remain fair and equitable.
 - d. Magic Valley represents that it has not charged rates in excess of those rates specified in 2.a above subsequent to December 27, 2004 for section 311 service performed on its system. Accordingly, no refunds are due.
3. Initial comments on the Settlement were due by April 21, 2005, and reply comments were due by April 27, 2005. No comments were received.
 4. This letter order does not relieve Magic Valley of its obligations to file the required reports under Part 284 of the Commission's regulations. The Commission's approval of this Settlement does not constitute 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

Magic Valley Pipeline, L.P.

Docket Nos. PR05-6-000
and PR05-6-001

(Issued May 5, 2005)

BROWNELL, Commissioner, concurring:

For the reasons set forth in Green Canyon Pipe Line Company, L.P. in Docket No. PR01-15-001, I would not impose a triennial rate approval requirement on Section 311 pipelines. Here, Magic Valley Pipeline, L.P. has agreed to make a triennial rate approval 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
Commissioner

cc: All parties