

134 FERC ¶ 61,201
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

March 15, 2011

In Reply Refer to:

SFPP, L.P., *et al.*

Docket Nos.

OR92-8-000, -003, -004, -009, -010, -011, -013, -014, -015, -016, -017, -018, -019, -020, -021, -022, -024, -025, -026, -027, -029, -030, -031, -032, -033, -036, and -037,
OR93-5-000, -002, -006, -007, -008, -009, -010, -011, -012, -013, -014, -015, -016, -017, -018, -019, -020, and -021,
OR94-4-000, -001, -002, -003, -006, -007, -008, -009, -010, -012, -013, -014, -015, -016, -017, -018, -019, -020, -021, and -022,
OR96-2-000, -001, -002, -003, -004, -006, -007, -008, -009, -010, -011, -012, -013, -014, -015, -017, -018, -019, -020, -021, -022, -023, -024, and -025,
OR98-1-000, -002, -004, -005, -006, -007, -008, -009, -011, -012, -013, -014, -015, -016, -017, and -018,
OR98-11-000, -001, and -002,
OR00-4-000, -001, -002, -004, -005, -006, -007, -008, and -009,
OR02-4-000, -001, and -002,
OR03-5-000, -001, -002, and -003,
OR07-3-000, -002,
OR07-4-000,
OR09-8-000, -001,
IS92-39-001, -002, -003,
IS93-21-001, -002,
IS95-34-000,

IS98-1-001, -002, -003, -004, -005, -006,
-007, -008, -009, -010, and -012,
IS98-168-000,
IS05-230-000, -001, -002, and -004,
IS06-215-000, -001, -002, -003, and -004,
IS07-116-000, -001,
IS08-137-000, -001, -002, and -003,
IS08-302-000, -001, -002, and -003,
IS09-375-000, -001

Charles F. Caldwell, Esq.
Vinson & Elkins L.L.P.
1001 Fannin Street, Suite 2500
Houston, TX 77002-6760

George L. Weber, Esq.
Weber & Associates P.C.
1629 K Street, NW, Suite 300
Washington, DC 20036

Attorney for SFPP, L.P.

Attorney for Chevron Products Company

Dear Counsel:

1. On February 2, 2011, pursuant to rules 206(j), 216, and 602 of the Commission's Rules of Practice and Procedure,¹ section 343.3(d) of the Procedural Rules Applicable to Oil Pipeline Proceedings,² and section 1802(d)(2) of the Energy Policy Act of 1992,³ Chevron Products Company, a Chevron U.S.A. Inc. division,⁴ by itself and as successor in interest to Texaco Refining and Marketing, Inc. (Chevron) and SFPP, L.P. (SFPP) (each individually, a Party, and collectively, the Parties) jointly filed an Offer of Settlement with the Commission (Settlement) in the above-referenced proceedings. On February 8, 2011, Chevron and Trial Staff filed comments in support of the Settlement. No other comments were filed. On February 11, 2011, the Chief Judge certified the Settlement to the Commission as uncontested.

2. The Settlement is a "black-box" agreement that resolves, as between the Parties, all of the issues raised through Chevron's protests and complaints in all but two of the historical proceedings that have been pending before the Commission and the U.S. Court

¹ 18 C.F.R. §§ 385.206(j), 385.216, and 385.602 (2010).

² *Id.* § 343.3(d).

³ 42 U.S.C. § 7122 (2006).

⁴ Chevron Products Company was formerly known as "Chevron U.S.A. Products Company" and for a time "Chevron Texaco Products Company." The current name of the entity is "Chevron Products Company."

of Appeals for the District of Columbia Circuit for many years (the Chevron-SFPP Historical Proceedings). The Settlement excludes the proceedings in Docket No. IS09-437-000 regarding SFPP's East Line rates and in Docket No. IS08-390-002 regarding SFPP's West Line rates. The Settlement also does not affect SFPP's Ultra Low Sulfur Diesel Surcharge and Watson Station Drain-Dry Charge, which charges were established by separate settlements.

3. The consideration set forth in Section III.D of the Settlement (the Settlement Payment) is Chevron's exclusive compensation as to, and extinguishes all current and future claims it may have with regard to, SFPP's interstate rates and charges that are the subject of the Chevron-SFPP Historical Proceedings. The Settlement further provides that the Settlement Payment, including any financing costs related to the Settlement Payment, or SFPP's litigation expenses associated with the Chevron-SFPP Historical Proceedings or related court appeals shall not be included in any pending or future SFPP cost-of-service filing or otherwise recovered in rates charged to Chevron. However, SFPP is not foreclosed from arguing that its litigation cost experience in the Chevron-SFPP Historical Proceedings should be used as a basis to estimate its litigation expense in proceedings not settled by the Settlement.

4. The Commission finds that the Settlement appears fair, reasonable, and in the public interest. Accordingly, the Commission approves the Settlement without condition or modification. The Commission's approval of the Settlement does not constitute approval of, or precedent regarding, any principle or issue in these Proceedings.

5. In addition, the Commission grants the conditional motion attached as Attachment A to the Settlement, the "Conditional Motion for Permission to Withdraw Complaints," subject to the Settlement becoming effective under its terms and the Commission's receipt of written certification from SFPP that it has made the payment required by Section III.D of the Settlement. The conditional notice attached as Attachment B to the Settlement, the "Conditional Notice of Withdrawal of Protests," will become effective upon the effective date of the Settlement, under its terms, and the Commission's receipt of written certification from SFPP that it has made the Settlement Payment required by Section III.D of the Settlement.

6. Appendix A to this letter order includes Tables 1 and 2, which tables were produced by the Parties. Tables 1 and 2 identify, respectively, all of the protests and complaint proceedings that will be terminated as a result of the Settlement. Tables 1 and 2 indicate for each proceeding whether the proceeding will be subject to either immediate or delayed termination. All dockets designated "Immediate Termination" in the appended tables will be terminated immediately upon the effective date of the Conditional Notice of Withdrawal of Protests and Conditional Motion for Permission to Withdraw Complaints.

7. All dockets designated “Delayed Termination” in the appended tables may not terminate until the Commission addresses certain compliance filings related to refunds to non-litigating shippers and certain refund overpayments owed to SFPP.⁵

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁵ Resolution of these refunds/overpayments is pending in Docket No. OR92-8-033, *et al.* (OR92-8/OR96-2 Proceedings) and in Docket No. OR96-2-018, *et al.* (Sepulveda Proceeding).

Appendix A**Table 1.**

Docket No.	Settling Protestant(s)	Immediate or Delayed Termination
IS95-34	Chevron U.S.A. Products Co.	Delayed Termination
IS98-1	Chevron Products Co.	Delayed Termination
IS98-168	Texaco Refining and Marketing, Inc. (TRMI)	Immediate Termination
IS05-230	Chevron Products Co.	Immediate Termination
IS06-215	Chevron Products Co.	Delayed Termination
IS07-116	Chevron Products Co.	Delayed Termination
IS08-137	Chevron Products Co.	Delayed Termination
IS08-302	Chevron Products Co.	Immediate Termination
IS09-375	Chevron Products Co.	Immediate Termination

Table 2.

Docket No.	Settling Complainant(s)	Immediate or Delayed Termination
OR92-8	Chevron U.S.A. Products Co.	Delayed Termination
OR93-5	Chevron U.S.A. Products Co.	Delayed Termination
OR94-4	TRMI	Delayed Termination
OR96-2	TRMI	Delayed Termination
OR98-1	TRMI	Delayed Termination
OR00-4	Equilon, TRMI	Delayed Termination
OR02-4	Chevron Products Co.	Immediate Termination
OR03-5	Chevron Products Co.	Immediate Termination
OR07-4	Chevron Products Co.	Immediate Termination
OR09-8	Chevron Products Co.	Immediate Termination