

137 FERC ¶ 61,225  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

December 16, 2011

In Response Reply To:  
MarkWest Michigan Pipeline  
Company, L.L.C.  
Docket Nos. IS10-548-000  
IS10-548-001

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Dear Counsel:

1. On July 25, 2011, you filed an Offer of Settlement (Settlement) on behalf of the Settling Parties<sup>1</sup> in the above-captioned proceeding pursuant to rules 206(j), 216, and 602 of the Commission's Rules of Practice and Procedure, section 343.3(d) of the Procedural Rules Applicable to Oil Pipeline Proceedings, and section 1802(d)(2) of the Energy Policy Act of 1992. On August 15, 2011, Commission Trial Staff submitted initial comments supporting certification of the Settlement to the Commission for its approval.

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<sup>1</sup> The Settling Parties are comprised of MarkWest Michigan Pipeline Company, L.L.C., Breitburn Operating Company L.P., Merit Energy Company, Muskegon Development Company, Summit Petroleum Company, and Sunoco Partners Marketing & Terminals L.P.

On September 15, 2011, the Settlement was certified to the Commission as uncontested.<sup>2</sup> The Settlement resolves all issues set for hearing in the captioned proceedings.

2. Some major provisions of Settlement are as follows:

3. Section III describes the term of the Settlement as commencing on the date of execution (Effective Date), subject to Commission approval, and continuing through July 1, 2016, unless terminated earlier pursuant to its terms.

4. Sections IV.A and IV.B provide for the resolution of the protests and interventions filed in the above-captioned docket, and the withdrawal of such protests and interventions, effective upon MarkWest's certification to the Commission that refunds with interest have been paid pursuant to section IV.D (2) and (3) of the Settlement.

5. Section IV.D describes the refund process and the consideration to and from each party under the Settlement, and provides that MarkWest shall lower each of the rates set forth in its FERC Tariff No. 8.0.0 (the successor to its FERC Tariff No. 6) by 14 cents, as set forth in Section IV.E.

6. Section IV.E states that MarkWest has the right to annually adjust its rates with a flat-cent adjustment in lieu of the percentage changes currently contemplated under the FERC Annual Indexing Adjustment, and Exhibit 1 demonstrates how the index adjustments shall be calculated for the term of the Settlement.

7. Section IV.F provides for certain reopeners related to volumes and regulatory agency or connected-carrier actions. The reopeners dictate the limited circumstances under which the parties may negotiate to revise the agreed-upon rates without upsetting the Settlement or, alternatively, if agreement cannot be reached, to terminate the Settlement.

8. Section IV.G explains certain stipulated values that will be used by the parties in cost-of-service (COS) calculations related to future tariff filings and challenges to MarkWest's rates to avoid future litigation regarding certain COS issues.

9. Section V.D provides that the standard of review for any modification of the Settlement is the just and reasonable standard, not the "public interest" or "most stringent" standard.

10. The Commission finds the Settlement appears fair and reasonable and in the public interest, and it is hereby approved. The Commission's approval of the Settlement does

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<sup>2</sup> *MarkWest Michigan Pipeline Co.*, 136 FERC ¶ 63,011 (2011).

not constitute approval of, or precedent regarding, any principle or issue in this proceeding.

12. This letter terminates Docket Nos. IS10-548-000 and IS10-548-001.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

cc: All parties