

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Nora Mead Brownell, and Suedeen G. Kelly.

Chevron Pipe Line Company

Docket Nos. IS06-251-000
IS06-252-000
IS06-253-000

ORDER ACCEPTING AND SUSPENDING TARIFFS, SUBJECT
TO REFUND, SUBJECT TO CONDITIONS, AND CONSOLIDATING
FOR HEARING AND SETTLEMENT PROCEDURES

(Issued May 12, 2006)

1. On April 14, 2006, Chevron Pipe Line Company (Chevron) submitted three tariff filings,¹ proposing to implement Hurricane Recovery Surcharges (HRS) on crude oil barrels transported through its Empire Terminal in Plaquemines Parish, Louisiana and its Fourchon Terminal in LaFourche Parish, Louisiana. Chevron's proposals include a new definition of the term "Shipper", eliminates certain references to "consignee" and establishes an initial rate and a Gravity Bank in FERC Tariff No. 970.² Chevron requests waiver of the Commission's notice requirement to permit the instant tariffs to become effective May 1, 2006.
2. As discussed below, the Commission accepts and suspends FERC Tariff Nos. 968, 969 and 970 to become effective May 1, 2006, subject to refund and conditions, and consolidates these matters for hearing and settlement judge procedures in Chevron's Docket No. IS06-231-000, *et al.*, proceeding.³

¹ FERC Tariff No. 968 in Docket No. IS06-251-000, FERC Tariff No. 969 in Docket No. IS06-252-000, and FERC Tariff No. 970 in Docket No. IS06-253-000.

² Chevron's proposed Gravity Bank was not protested, but parties in the IS06-231-000, *et al.*, proceeding objected to the new definition of the term "Shipper" included in Item 85 (Gravity Bank) of FERC Tariff No. 970. Also, as discussed below, the initial rate is not justified in accordance with the Commission's regulations.

³ *Chevron Pipe Line Co.*, 115 FERC ¶ 61,117 (2006) (April 26 Order).

Chevron's Filings

3. In its three instant dockets, Chevron proposes to implement separate HRS at its Empire and Fourchon Terminals. Chevron will assess the HRS on all crude oil transported through Empire Terminal at 25 cents per barrel, and through Fourchon Terminal at 19 cents per barrel, as measured upon delivery out of each terminal. Chevron also redefines the term "Shipper" in each proposed tariff as "the entity that originally nominates Crude Petroleum from a reception point listed in this tariff and is responsible to Carrier for all charges and obligations hereunder, except as otherwise noted." Finally, Chevron removes the word "consignee" from certain items in the proposed tariffs.⁴

4. Additionally, Docket No. IS06-253-000 includes proposed FERC Tariff No. 970, a joint tariff between Chevron and Cypress Pipeline Company, LLC (Cypress), which Chevron issues to establish an initial rate for the movement of crude oil from Cypress' Main Pass 69 Platform, Plaquemines Parish, Louisiana to Chevron's Empire Terminal. Chevron states the rates and terminal charges are brought forward unchanged from Cypress' FERC Tariff No. 10 and Chevron's FERC Tariff No. 961, the local tariffs underlying this joint tariff.

Discussion

5. The Commission discussed the HRS and definitional changes in detail in the April 26 Order. Since this proceeding involves the same issues, it is appropriate to consolidate these instant filings with the ongoing Chevron proceeding in Docket No. IS06-231-000, *et al.*

6. Additionally, Chevron does not provide the proper joint rate justification to comply with the Commission's policy that a joint rate is just and reasonable if it is less than or equal to the sum of the local interstate rates currently on file with the Commission.⁵ Chevron brings existing rates forward from currently effective tariffs,⁶ but

⁴ These same proposals were discussed and set for hearing and settlement procedures in detail in Chevron's Docket No. IS06-231-000, *et al.*, proceeding and will not be repeated here.

⁵ *Big West Oil Company v. Frontier Pipeline Company and Express Pipeline Partnership, et al.*, 94 FERC ¶ 61,339 (2001); and *Texaco Pipeline Inc.*, 72 FERC ¶ 61,339 (1995).

⁶ Staff notes that Chevron improperly brought forward Cypress' rate from FERC Tariff No. 10 rate.

the instant filing does not show that the proposed joint rate is less than or equal to the sum of the local interstate rates of the remaining joint participants that are on file with the Commission.

Suspension

7. Based upon a review of the filings, the Commission finds that Chevron's tariff filings have not been shown to be just and reasonable and may be unjust, unreasonable, unduly discriminatory, or otherwise unlawful. Chevron has not provided sufficient justification of the initial joint rate and terminal charges in its FERC Tariff No. 970. Except for the rate justification, Chevron's instant dockets involve the same issues as in its Docket No. IS06-231-000, *et al.*, proceeding. Accordingly, pursuant to section 15(7) of the Interstate Commerce Act,⁷ the Commission will accept FERC Tariff Nos. 968, 969 and 970 for filing and suspend them, to become effective May 1, 2006, subject to refund, subject to the conditions set forth in the body of this order and in the ordering paragraphs below, and consolidate for hearing Chevron's instant dockets in its Docket No. IS06-231-000, *et al.*, proceeding.

The Commission orders:

(A) Chevron's request for waiver of the 30-day notice requirement is granted. Pursuant to the authority contained in the Interstate Commerce Act, particularly section 15(7) thereof, Chevron's instant tariffs, FERC Tariff Nos. 968, 969 and 970 are accepted for filing and suspended, to become effective May 1, 2006, subject to refund and subject to further order of the Commission.

(B) This proceeding is consolidated for hearing with the ongoing proceeding in Docket No. IS06-231-000, *et al.* The Chief Administrative Law Judge may authorize a change to the Track III procedures established in Docket No. IS06-231-000, *et al.*, as necessary.

⁷ 49 U.S.C. app. § 15(7) (1988).

(C) Chevron is directed to provide, within 15 days of the date of this order, justification of the initial joint rate proposed in FERC Tariff No. 970 in accordance with the Commission's regulations and as discussed in the body of this order.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.