

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

Platte Pipe Line Company

Docket No. IS06-259-000

ORDER ACCEPTING AND SUSPENDING TARIFF SUPPLEMENT AND  
ESTABLISHING TECHNICAL CONFERENCE

(Issued May 19, 2006)

1. On April 19, 2006, Platte Pipe Line Company (Platte) filed Supplement No. 7 to FERC Tariff No. 1456 proposing a new proration policy for crude oil volumes moving east of Guernsey, Wyoming. Platte proposes that Supplement No. 7 become effective May 20, 2006.
2. As discussed below, the Commission will accept and suspend Supplement No. 7 to be effective December 20, 2006, subject to the outcome of a technical conference to be established in this proceeding and further order of the Commission.

**Background and Description of the Filing**

3. Platte states that its current prorating provision, Item No. 13 of its Rules and Regulations tariff, FERC No. 1456, allocates capacity monthly on the basis of shippers' respective nominations as a percentage of available capacity. Platte explains that, in 1997, it began requiring shippers to either ship or pay for 95 percent of their "binding nominations" once prorating is declared for a given month. However, Platte maintains that changes in circumstances have rendered its existing nomination-based prorating provisions susceptible to gamesmanship and posturing.
4. Platte states that the provisions of Supplement No. 7 allocate capacity among New Shippers and Historic Shippers using a rolling six-month historical volume. New Shippers are defined as those moving injection volumes in four or less months of the six months used in the historical calculation. A New shipper will remain such until it has shipped volume in a minimum of five of the six consecutive months used in calculating a historical period for any particular month, and the pipeline segment has not required prorating for a minimum of one month. Historical Shippers are defined as any

shippers that are not New Shippers. New Shippers are allocated 10 percent of available capacity, with any individual New Shipper allocated no more than three percent of capacity. Additionally, capacity that has been allocated to Historic Shippers but is not used would be re-allocated among all shippers, both Historic and New (not only among Historic Shippers). Because of differences between the Casper-Guernsey segment and the Guernsey-Wood River segment, Platte is retaining nominations-based prorationing for deliveries made from the Casper-Guernsey segment. Platte proposes that the proration calculation for June 2006 be based on the six-month period from November 2005 through April 2006. Platte explains that the new methodology proposed here is intended to be effective on an interim basis for three months (June through August 2006) to allow for further review and refinement with shippers.

5. Platte states that, since the third quarter of 2005, it has seen steadily increasing nominations onto its system from both United States domestic and Canadian crude oil sources. Platte asserts that the increased nominations for US crude oil are primarily the result of increased production in PADD IV<sup>1</sup> combined with scheduled refinery shutdowns in the Denver area. Additionally, states Platte, seasonal slowdowns in the PADD IV market and corresponding refinery run reductions in PADD IV have increased the demand for pipeline capacity to eastern markets. Platte cites other factors causing the increased demand, including expanding Canadian oilsands production and delivery into PADD IV and PADD II,<sup>2</sup> along with related industry projects, asserting that these factors also have contributed to the oversubscription of capacity on the Platte pipeline to Illinois destinations.

6. Platte contends that the overabundance of available crude oil at Guernsey and prorationing on its system have caused a significant amount of stranded crude oil in PADD IV. According to Platte, this is evidenced by significant price differentials, which create an incentive for shippers to engage in gamesmanship in their nominations on the system.

7. Platte explains that it began prorationing in December 2005 at a level of nine percent. However, Platte emphasizes that prorationing has steadily increased each month to 16.6 percent, 32 percent, 57 percent, and most recently, 53 percent for April nominations. Platte further asserts that total ex-Guernsey nominations have increased from 135,000 bpd in September/October 2005 to 296,000 bpd in April 2006, which is not

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<sup>1</sup> PADD: Petroleum Administration for Defense Districts. PADD IV (Rocky Mountain) includes Colorado, Idaho, Montana, Utah, and Wyoming.

<sup>2</sup> PADD II (Midwest), includes Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Ohio, Oklahoma, Tennessee, and Wisconsin.

representative of the amount crude oil available for tender, but instead results from the operation of its current nomination provisions.

8. Platte maintains that shippers began to request historically-based prorationing earlier this year, and in response, it held a shipper meeting in February. As a result, Platte states that, on February 27, 2006, it offered shippers two options for historically-based prorationing, one of which the shippers did not support. However, Platte states that it received a significant amount of support for its second option, which proposed a historically-based six-month rolling throughput average based on actual injections by shippers.<sup>3</sup> Platte also states that, following its March 13 and March 21, 2006 filings, it reviewed the scope and “New Shipper” provisions of its proposal and determined to refine its proposal.

9. According to Platte, the current 95-percent “ship or pay” provision applicable during prorationing has not been effective because it imposes a relatively small penalty. Thus, contends Platte, in addition to the 95-percent “ship or pay” rule, historically-based prorationing is necessary. Platte asserts that its proposal will help prevent further gamesmanship by shippers who may be trying to build artificial throughput positions in anticipation of a historically-based prorationing methodology.

### **Interventions, Protests, and Answer**

10. Frontier Oil and Refining Company (Frontier) filed a motion to intervene and a protest. Suncor Energy Marketing Inc. (SEMI)<sup>4</sup> and Suncor Energy [U.S.A.] Inc.

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<sup>3</sup> Platte filed two earlier proposals to revise its prorationing policy, in Docket No. IS06-219-000 on March 13, 2006, and in Docket No. IS06-222-000 on March 21, 2006, and withdrew both. This filing includes changes to the earlier proposals.

<sup>4</sup> SEMI is a wholly-owned indirect subsidiary of Suncor Energy Inc. (SEI), which markets all of SEI’s approximately 260,000 bpd of crude oil production from Northern Alberta, Canada, and which purchases approximately 150,000 bpd of third-party crude oil for SEI’s refineries in Sarnia, Ontario, and Denver, Colorado. Suncor states that SEMI is a current shipper of record pursuant to Platte’s local tariffs. Further, explains Suncor, SEMI has entered into term pipeline agreements with facilities downstream of Platte’s system so as to reach new and growing markets and purchasers. According to Suncor, Platte’s proposed proration policy may critically inhibit or preclude access to these markets and purchasers and preclude SEMI from utilizing and/or fulfilling its downstream pipeline agreement commitments.

(Suncor USA)<sup>5</sup> (jointly, Suncor) also filed a motion to intervene and a protest. Additionally, Continental Resources, Inc. (Continental) and Banner Pipeline Company, L.L.C. (Banner)<sup>6</sup> filed a joint motion to intervene and a protest. CanNat Energy, Inc. (CanNat) filed a letter objecting to Platte's proposal, but did not intervene. Platte filed an answer refuting the claims of the protesting parties.

11. The intervenors generally contend that this is Platte's third attempt to implement a fundamentally flawed prorating methodology, and they ask the Commission to reject the filing as unjust, unreasonable, and unduly discriminatory and preferential in contravention of the Interstate Commerce Act (ICA).<sup>7</sup> The intervenors also contend that Platte's proposal is inconsistent with its obligation as a common carrier. If the Commission does not reject the filing, the intervenors ask the Commission to suspend the filing for the seven-month maximum statutory period and to establish a technical conference, settlement procedures, and/or an investigation and hearing.

#### **A. Frontier's Protest**

12. Frontier asserts that it is a past, current, and future shipper of petroleum products on the Platte/Express joint and Platte's local tariffs and thus has a substantial economic interest in this proceeding. Frontier states that it is the shipper of record and sends the crude oil to its affiliate's refinery in Cheyenne, Wyoming, as well as to its affiliate's refinery in El Dorado, Kansas. Although Frontier states that it ships primarily west of Guernsey, Frontier also points out that it periodically causes crude oil to be shipped east of Guernsey. According to Frontier, the proposed prorating policy will severely restrict access to the space east of Guernsey and will adversely affect projects under development.

13. Frontier states that, in 1995, it entered into a firm (ship-or-pay) Transportation Agreement for approximately 14,000 bpd with a 15-year term on the original Express Pipeline. Subsequently, states Frontier, at the end of 2003, it entered into an additional firm contract with Express to help support an expansion to Casper, committing to firm

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<sup>5</sup> Suncor explains that Suncor USA is a wholly-owned, indirect subsidiary of SEI and that it owns and operates a 90,000 bpd refinery near Denver. According to Suncor, this refinery supplies approximately 35 percent of Colorado's gasoline and diesel fuel demand and is a major supplier of jet fuel to the Denver International Airport. Suncor contends that the refinery is dependent on crude oil volumes shipped on Platte's pipeline system for feedstock in its refining operations.

<sup>6</sup> Banner Pipeline Company L.L.C. is the wholly-owned marketing subsidiary of Continental Resources, Inc.

<sup>7</sup> 49 U.S.C. app. § 1 *et seq.* (1988).

space of 10,000 bpd for 10 years on the Express system. Frontier maintains that it has been using these contracts directly and indirectly to supply the refinery in Cheyenne. Additionally, Frontier states that it nominates volumes at Casper and ships on Platte to Guernsey. Frontier emphasizes that it entered into both contracts with the reasonable expectation that the existing prorationing policy, which had “volume verification” and “penalty for failure to perform,” would remain as part of the terms of a nominations-based methodology. Frontier also points out that it has assigned a portion of its Express space to a third party, although the space is still used to meet Frontier’s refinery needs. However, Frontier emphasizes that, even after the arrangement expires, Frontier will not have historical shipper status for the assigned space. Finally, Frontier states that it has re-marketed the space on Express to other parties when it did not need the capacity to supply the refinery in Cheyenne, but under the proposed policy, it might not be able to re-market the space without having historical shipper status east of Guernsey. In fact, states Frontier, Platte’s action in changing its prorationing policy was a major factor leading to Frontier’s inability to re-market approximately 8,000 bpd for April 2006.

14. While Frontier acknowledges that the Commission previously has approved prorationing procedures based on historical shipments, Frontier emphasizes that such procedures must be just and reasonable and not unduly discriminatory.<sup>8</sup> Moreover, continues Frontier, the Commission recently clarified that its approval of such procedures is case-specific depending on the circumstances existing on each pipeline.<sup>9</sup> In this case, Frontier urges the Commission to consider the following points: (1) Platte’s system is a vital link in transporting US and Canadian production to markets in the Midwest and Rocky Mountain area; (2) at least 85 percent of Platte’s capacity will be controlled by a group of four dominant shippers; (3) the producing regions served by Platte are experiencing considerable growth and expansion, while pipeline capacity is constrained; (4) demand on Platte will likely exceed capacity and require prorationing for the foreseeable future; and (5) whether the proposed prorationing methodology provides a meaningful opportunity for new and smaller shippers to access capacity. Frontier also challenges Platte’s statement that neither it nor its affiliate Express will gain revenue from the proposed prorationing methodology.

15. According to Frontier, Platte’s oversupply problem is not new, but in reality has been at issue for nearly a decade, as the Commission recognized in a 1997 order.<sup>10</sup> Moreover, continues Frontier, Platte’s September 15, 2005 notice to its shippers

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<sup>8</sup> Frontier cites *Total Petroleum, Inc. v. Citgo Products Pipeline*, 76 FERC ¶ 61,164 (1996) (*Citgo*).

<sup>9</sup> Frontier cites *ConocoPhillips Transportation Alaska, Inc.*, 112 FERC ¶ 61,213 (2005) (*ConocoPhillips*).

<sup>10</sup> Frontier cites *Platte Pipe Line Co.*, 80 FERC ¶ 61,036, at 61,082 (1997).

undercuts its claim that recent developments created the need for a revision to its prorationing policy.<sup>11</sup> Frontier further submits that the oversupply problem has been exacerbated by the expansion of the Express system in April 2005, and Frontier points out that the temporary shutdown of a Denver-area refinery cited by Platte has ended. Frontier emphasizes that Platte has not substantiated any “bad” or “abusive” nominations or that the existing 95-percent “ship-or-pay” provision has been triggered. In fact, continues Frontier, the proposed prorationing system would be based on the past six months usage, when the abuses are alleged to have occurred, thereby rewarding those who would have created the problems claimed by Platte. Frontier suggests that Platte should use the tools currently available in its tariff and, if necessary, institute a penalty or fine to deter any abusive conduct.

16. Frontier reiterates that the proposal would discriminate against small, growing, and periodic shippers. Moreover, Frontier states that the proposal is vague because a shipper can remain in “New Shipper” status even without prorationing for an unspecified period. Frontier criticizes the proposal to reserve only 10 percent of the capacity for New Shippers, with a three-percent cap for individual New Shippers, asserting that this too could reward those who have allegedly gamed the system. Instead, Frontier favors a capacity set-aside of at least 15 percent.<sup>12</sup> Additionally, Frontier argues that the proposed prorationing procedure does not afford all shippers an equal opportunity to build a history of use, in contrast to the historically-based prorationing policy approved for ConocoPhillips, which had greater safeguards and treated all shippers fairly in allowing them an opportunity to establish historical usage patterns.

#### **B. Suncor’s and Continental/Banner’s Protests**

17. Suncor states that SEMI and Suncor USA each has a substantial economic interest in the tariff filings as a shipper of record and recipient of crude oil that will be subject to Platte’s proposed prorationing provisions. Suncor asserts that SEI has made substantial investments to expand oilsands production in northern Alberta, Canada. Thus, Suncor contends that Platte’s proposed proration policy will work a substantial hardship on SEI and its subsidiary, SEMI, because SEMI will be significantly restricted from accessing capacity on the Platte system to transport its growing production to affiliated refinery and third-party purchasers. Suncor also raises many of the concerns raised by Frontier,

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<sup>11</sup> See Motion to Intervene and Protest of Frontier Oil and Refining Company, Attachment 2 (May 4, 2006).

<sup>12</sup> Frontier cites the Proration Policy of Mustang Pipe Line LLC, effective March 18, 2006, reserving 25 percent of pipeline capacity for new shippers. See Motion to Intervene and Protest of Frontier Oil and Refining Company, Attachment 5 (May 4, 2006).

arguing that the proposal is not just and reasonable and that it will impede non-discriminatory access to Platte's already scarce capacity, restrict access to new markets, and distort market forces that determine the price of crude oil. Suncor emphasizes that the fact that a small group of dominant shippers endorses the proposal does not mean that the proposal will benefit other shippers.<sup>13</sup> Suncor further contends that the "New Shipper" definition is also likely to be subject to abuse because it fails to address the treatment of affiliate nominations, which may result in companies establishing shell entities to create nominations as New Shippers to access pipeline capacity.

18. Continental states that it is a producer and marketer of crude oil produced from, *inter alia*, various Red River formation units in North Dakota, South Dakota, and Montana. Continental explains that it sells crude oil from those units and elsewhere to persons who ship on Platte's system. Banner states that it markets Continental's production on Platte's system and that it has submitted an application to become a shipper on Platte's system for approximately 4,200 bpd, and expects to begin shipping in May. Continental states that it too may seek to become a shipper on Platte in its own right. Continental and Banner claim that it is likely that they would be classified as New Shippers under Platte's proposal. Continental and Banner also raise some of the concerns raised in the other protests and contend that the proposal is inconsistent with Platte's common carrier obligation. Moreover, Continental and Banner suggest that the curtailment of production that could result from this proposal is likely to damage wells and damage correlative rights.

### C. Platte's Answer

19. In its answer, Platte contends that the protesting parties misstate the basis and need for the proposed policy, misconstrue the impact of the proposal, and fail to demonstrate significant harm that would warrant a seven-month suspension. On the contrary, Platte maintains that its proposal is a reasonable response to abuses of the nomination process. Platte points out that, prior to its purchase by the owners of Express in 1996, its throughput had declined steadily, making prorationing unnecessary. According to Platte, prorationing on its system was not a foreseeable result of the Express expansion, and in fact, shippers who signed up for rights relating to the Express expansion were well aware that Platte's capacity was below that of the expanded Express system. Platte asserts that these shippers also were aware of industry trends and projections and were given no explicit or implied assurances that capacity would be available downstream of Express.

20. Platte states that, by September 2005, production and pricing trends suggested a potential allocation issue on its system, so it issued a notice explaining to shippers the manner in which the then-existing prorationing provision would be implemented. However, Platte emphasizes that it had no expectation that prorationing would approach

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<sup>13</sup> Suncor cites *Tejas Power Co. v. FERC*, 908 F.2d 998, 1003-04 (D.C. Cir. 1990).

its current levels. Platte also asserts that, since prorationing began, it has made extensive efforts to resolve the issue with shipper input, and that only three of its shippers have protested the current filing.

21. Platte contends that it has demonstrated that inflated nominations are being used to game the current nominations-based system. According to Platte, the increased nominations indicate a concern on the part of shippers that, in a nominations-based context, inflated nominations are required to maintain their positions. Platte also argues that New Shippers will be in a better position being allocated a guaranteed 10 percent of capacity rather than having to compete in a nominations “free-for-all.”

22. Platte claims that current tariff provisions cannot solve the existing capacity problems on its system. According to Platte, a shipper with significant resources can always arrange to certify that it has access to larger supplies to meet a larger than normal nomination, which a small shipper would be unable to do. Platte further asserts that the 95-percent “ship-or-pay” provision also provides little protection from gamesmanship in prolonged periods of severe prorationing. Platte attributes this to the fact that, in a period of severe prorationing, a shipper likely would want to ship its full binding nomination, which is unlikely to greatly exceed its expected allocation.

23. Platte submits that its proposal does not unfairly lock-in capacity for a few favored shippers and end its common carrier status. Platte points out that all historically-based prorationing provisions act to fix the relative positions of shippers and that such provisions are not inherently discriminatory. In Platte’s view, this effect does not apply to a favored few, and it is not a fatal flaw under the Commission’s reasoning in *ConocoPhillips*.

24. Platte further maintains that its proposal does not retroactively or without notice deprive shippers of any rights because it will apply prospectively and upon statutory notice. Additionally, Platte contends that all shippers and potential shippers are on notice and no past shipments are affected or subject to retroactive changes. Platte cites the *Citgo* case, in which the pipeline filed a tariff changing its prorationing methodology from a nominations-based approach to one that relied on 12 months of actual use. Platte observes that the Commission did not find the approach unlawful, but instead set for hearing whether the new provision had been applied in a non-discriminatory manner. On the contrary, continues Platte, the right to establish historical usage pattern claimed by the intervenors in this case simply invites gamesmanship in a manner that reliance on a past period would not do. Platte argues that the six-month rolling historical period would not reward gaming because it will reflect changes in use more rapidly.

25. Platte asserts that its proposal does not create an affiliate preference. Platte points out that neither it nor Express has affiliated shippers. Platte also claims that it did not file the proposal to alter and maximize its revenues, but if it had intended to do so, it would

have filed a prorating methodology that would maximize Express deliveries up to Guernsey and then maximized local movements on Platte from Guernsey to Wood River. Platte also rejects the contention that the proposal will not allow it to collect revenue under long-term contracts that cannot be fully used. Platte states that there is adequate take-away capacity on pipelines connected to Express to permit delivery of term volumes from Express.

26. Platte contends that the proposed “New Shipper” provisions are reasonable. In any event, states Platte, neither Frontier nor Suncor is a small shipper and should not be viewed as representative of the small shipper class. Platte also argues that, while the intervenors criticize the 10-percent capacity reservation for New Shippers, they have not demonstrated the effect of the limitation on potential volumes. According to Platte, reservation of capacity for new shippers varies among pipelines that use historically-based prorating, and the general range is between three and ten percent. In that regard, Platte views the Mustang 25-percent set-aside as an anomaly. In addition to the fact that its proposal is comparable to that of other pipelines, Platte asserts that it is reasonable in Platte’s circumstances. Platte states that the set-aside of 10 percent for the east-of-Guernsey portion of the system would be approximately 14,000 bpd that would be unavailable to so-called large or dominant shippers. Further, Platte explains that the three-percent limit on an individual New Shipper is to discourage them from attempting to seize large percentages of the set-aside.

27. Platte submits that its definition of “New Shippers” is not unlawful. Platte next asserts that it would not be a hardship to remain in the New Shipper status because it is intended to protect shippers that ship only intermittently rather than continuously. Platte emphasizes that it intends to monitor and protect against any possible gaming and will modify the procedures as necessary.

28. Platte maintains that Frontier would experience only negligible harm from the prorating policy, suggesting that Frontier’s opposition may be more related to its interest in unrelated commercial disputes than to the prorating policy. Platte points out that Frontier admits that the overwhelming share of its volumes moves west of Guernsey and that it has not transported volumes to the Kansas refinery in the past. Platte also contends that Continental/Banner is a new shipper because of its own commercial choices in the past, including forgoing shipping on Platte in the past and embarking on enhanced recovery processes. With respect to Suncor, Platte states that it too has moved most of its volumes off the system at Guernsey, thus in effect it is asking the Commission to improve its chances in an undefined future situation.

### **Commission Analysis**

29. As discussed below, the Commission will accept and suspend Supplement No. 7 for seven months to be effective December 20, 2006, subject to the outcome of a

technical conference and further order of the Commission in this proceeding. A technical conference is an informal, off-the-record conference at which the parties and the Staff can explore the issues raised by the filing, gain an understanding of the facts, and obtain additional information regarding the positions of the parties to facilitate a more prompt resolution of the issues raised by the filing. Following the conference, the parties will have an opportunity to file comments that will be included in the formal record of the proceeding and will form the basis for the Commission's final decision on the filing.

30. The Commission is suspending the supplement for the statutory maximum period because the retroactive nature of the proposal renders it unjust and unreasonable. On the one hand, Platte has set forth a reasonable basis for implementing a prorationing policy based on historical volumes, to respond to competitive conditions. Yet it is implementing that policy by applying a retroactive historical period to establish Historical Shipper status, thus denying all shippers, both existing and prospective, an equal, nondiscriminatory opportunity to establish a pattern of historical shipments before the historical shipment based proration policy takes effect. This creates an undue preference, whether intended or not, on behalf of those who would be defined as Historical Shippers based on shipments during this retroactive six-month historic period. It is true, as Platte claims, that its policy will apply prospectively and that adequate notice of that prospective application has been provided by the filing of its proposed tariff. The policy, however, has a retroactive application notice of which has not been provided, thus rendering the retroactive aspects unjust and unreasonable.

31. This order suspends the application of Platte's proposed prorationing policy for seven months. During this seven-month period, all existing and prospective shippers will have an equal opportunity to nominate volumes on Platte and thereby develop a record of historical shipments if they so choose. Once the prorationing policy takes effect, the retroactive historical period will also become effective to govern prospective prorationing, but the preferential nature of the provision will have been cured as a result of the delay in its becoming effective. This order, thus, is intended to explicitly provide notice to all that a retroactive six-month historical period may become effective in seven months and that this suspension period will provide an equal opportunity for development of a history of shipments to be applied for prorationing once the prorationing provisions take effect. The period of suspension also will enable the parties and the Commission to fully explore all issues at the technical conference.

32. The reservation of 10 percent of Platte's capacity for New Shippers is certainly within the range of other historically-based prorationing systems approved by the Commission. Whether reserving 10 percent or some other percentage is appropriate for Platte, however, should be explored at the technical conference. Additionally, the Commission is concerned with certain aspects of the New Shipper provisions. In particular, the Commission questions the effect of section 11(ii) of the prorationing procedure, which provides in part, "Any New Shipper will remain in the New Shipper

Allocation until they have shipped volumes in a minimum of five of the six consecutive months used in the calculation for that month AND the pipeline segment has not required prorationing for a minimum of one month.” (Emphasis in original.) Platte itself has pointed to the dramatic increase in prorationing on its system and described circumstances that lead us to conclude that the need prorate is likely to continue into the foreseeable future. In such circumstances, it would seem that the provision requiring that there be no prorationing for at least one month during the rolling six-month historic period, in addition to the volume shipping requirements, for a New Shipper to qualify as a Historic Shipper, could not be satisfied. This would appear to have the effect of locking New Shippers into New Shipper status indefinitely. Whether this provision offers an adequate opportunity for a New Shipper to become a Historic Shipper should also be explored at the technical conference.

### **Suspension**

33. Based upon a review of the filing, the Commission finds that Platte’s Supplement No. 7 has not been shown to be just and reasonable and may be unjust, unreasonable, unduly discriminatory, or otherwise unlawful. Accordingly, the Commission will accept Supplement No. 7 for filing and suspend it be effective December 20, 2006, subject to further order of the Commission. The Commission will direct the Staff to convene a technical conference and to report the results of the technical conference to the Commission within 150 days of the date of issuance of this order. Platte must be prepared at the technical conference to address the issues raised by the filing and to provide full support for its position on each issue. The Commission favors resolution of contested issues through informal means to the extent possible and encourages the parties to explore these issues in advance of the technical conference to facilitate discussion at the technical conference.

### **The Commission orders:**

(A) Platte’s Supplement No. 7 to FERC Tariff No. 1456 is accepted and suspended to be effective December 20, 2006, subject to the outcome of the technical conference established in this proceeding and further order.

(B) The Commission's Staff is directed to convene a technical conference to explore the issues raised by the Platte's Supplement No. 7 to FERC Tariff No. 1456 and to report to the Commission within 150 days of the date of issuance of this order.

By the Commission.

( S E A L )

Magalie R. Salas,  
Secretary.