

126 FERC ¶ 61,303
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

March 31, 2009

In Reply Refer To:
MarkWest Pioneer, L.L.C.
Docket No. RP09-321-000

MarkWest Pioneer, L.L.C.
1515 Arapahoe Street
Tower 2, Suite 700
Denver, CO 80202-2126

Attention: David Williams, Esq.
Senior Attorney

Dear Mr. Williams:

1. On January 30, 2009, MarkWest Pioneer, L.L.C. (MarkWest) filed its proposed FERC Gas Tariff, Original Volume No. 1¹ to comply with the Commission's November 12, 2008 order² granting MarkWest a certificate of public convenience and necessity to construct and operate approximately 50 miles of new 24-inch pipeline, two mainline compressor stations totaling approximately 19,525 hp of compression and to provide open-access transportation services. The Certificate Order required MarkWest to file revised tariff sheets to comply with the requirements of the order 60 to 90 days prior to commencement of service.

2. The Certificate Order directed MarkWest to make a variety of changes to its tariff, including recalculating its FT-1, FT-2 and IT rates using a revised capital structure that includes at least 50 percent debt and to file an initial base fuel rate with supporting documentation. MarkWest's January 30, 2009 filing includes its actual tariff sheets, including the revised FT-1, FT-2 and IT rates and an initial fuel rate as well as the changes to its tariff to address the other revisions required by the Certificate Order. MarkWest has also revised section 22 of its General Terms and Conditions (GT&C) to conform its tariff to the requirements of Order Nos. 712 and 712-A, which were issued

¹ See Appendix.

² *MarkWest Pioneer, L.L.C.*, 125 FERC ¶ 61,165 (2008) (Certificate Order).

after MarkWest submitted its *pro forma* tariff. In addition, MarkWest is making several other clean-up changes such as typographical and formatting corrections.

3. Notice of MarkWest's filing was issued on February 3, 2009. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.³ None were filed.

4. We will accept MarkWest's FERC Gas Tariff, Original Volume No. 1 to be effective the later of April 1, 2009, or the date MarkWest's facilities go into service, subject to the following conditions. As required by the Certificate Order, MarkWest filed an initial base fuel rate (FRP), with supporting documentation, of 0.64 percent. However, the Certificate Order also required MarkWest to revise section 18 of its GT&C to provide that any subsequent base FRP change be filed with the Commission. MarkWest's *pro forma* tariff states that the Base FRP will be posted on its website, and will be adjusted no less frequently than once per calendar quarter. However, MarkWest's compliance filing states that it will only make an annual informational filing with the Commission providing any subsequent changes to the Base FRP and/or the FRP True-up Adjustment. However, the Certificate Order noted that the Commission has not permitted pipelines to impose fuel charges on shippers without making a tariff filing, and providing shippers notice and the opportunity to participate in the proceedings. MarkWest's proposed changes to section 18 would allow MarkWest to change its fuel rate without making a filing with the Commission, and, therefore, are not in compliance with the Certificate Order. MarkWest is directed to revise its tariff accordingly.

5. The Certificate Order also required MarkWest to revise its tariff to conform to the requirement in section 154.602 of the Commission's regulations that pipelines must give at least 30 days' notice to the customer and the Commission before terminating a service agreement.⁴ MarkWest's proposed changes to sections 7.5.1 state it will notify the Commission when a shipper has been determined to be non-creditworthy and post such notice on MarkWest's Website. These provisions exceed the requirements of the Certificate Order and section 154.602 of the Commission's regulations which require that pipelines give at least 30 days notice to the customer and the Commission before terminating a service agreement. Therefore, the changes to section 7.5.1 must be removed. In addition, proposed section 7.5.2 states that MarkWest may terminate service if a shipper fails to provide adequate assurance of future performance consistent with the requirements of section 7 of its GT&C. Section 7.5.2 must be revised to conform to the

³ 18 C.F.R. §154.210 (2008).

⁴ 18 C.F.R. §154.602 (2008).

requirement in section 154.602 of the Commission's regulations that pipelines must give at least 30 days' notice to the customer and the Commission before terminating a service agreement. Similarly, as required by the Certificate Order, MarkWest must modify section 29.2 to include notification to the Commission thirty days prior to termination of a service agreement.⁵

6. The Commission accepts MarkWest Pioneer, L.L.C.'s tariff sheets listed in the Appendix to be effective the later of April 1, 2009, or the date MarkWest's facilities go into service, subject to MarkWest filing revised tariff sheets, within 15 days of the date of this order, consistent with the discussion in the body of this order.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

cc: All Parties

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⁵ See Certificate Order at P 55.

Appendix

**MarkWest Pioneer, L.L.C.
FERC Gas Tariff, Original Volume No. 1**

Tariff Sheets Effective the later of April 1, 2009, or the date MarkWest's facilities go into service, Subject to Conditions.

Original Sheet Nos. 1 through 6
Original Sheet No. 7 (Reserves Sheet Nos. 7 through 9 for future use)
Original Sheet Nos. 10 through 24
Original Sheet No. 25 (Reserves Sheet Nos. 25 through 33 for future use)
Original Sheet Nos. 34 through 106
Original Sheet No. 107 (Reserves Sheet Nos. 107 through 149 for future use)
Original Sheet Nos. 150 through 185