

127 FERC ¶ 61,305
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

June 29, 2009

In Reply Refer To:

SFPP, L.P.

Docket Nos. IS07-137-000

IS07-137-001

IS07-137-002

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Dear Counsel:

1. On February 27, 2007, SFPP, L.P., and BP West Coast Products, LLC; Chevron Products Company; ConocoPhillips Company; Navajo Refining Company, L.L.C.; Tesoro Refining and Marketing Company; Valero Marketing and Supply Company; and Western Refining Company, L.P., filed a Settlement in the above-referenced proceedings pursuant to Rule 602 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.602 (2008). Included in the Settlement was a Joint Conditional Notice of Withdrawal of Protests pursuant to 18 C.F.R. § 385.216 and § 343.3(d) (2008). Initial comments in support of the Settlement were filed on March 9, 2009 by the Commission's Trial Staff and by the Western Refining Company. On March 24, 2009, the Settlement was certified to the Commission as uncontested.

2. The Settlement resolves most pending issues in Docket Nos. IS07-137-000, IS07-137-001, and IS07-137-002 concerning a March 1, 2007 surcharge filing by SFPP to recover certain costs for the transportation of ultra low sulfur diesel (ULSD) fuel. The Settlement establishes a 0.47 cents per barrel surcharge on all shipments of ULSD, reduces the total cost of service underlying the surcharge to \$930,000, which surcharge shall remain effective for five years, terminating March 31, 2012. The Parties agree that the surcharge revenues during the period shall not be adjusted for over- or under-recovery.

3. The Settlement is fair and reasonable and in the public interest and is hereby approved.¹ The Commission accepts the Parties' withdrawal of their protests, and removes the suspension and refund obligation with regard to the ULSD tariffs. In light of the Settlement, further investigation into the ULSD surcharge is unnecessary.

4. The Settlement provides that if the reserved issues² are not resolved and complaints are filed on the reserved issues, the resolution of such complaints will not alter the amount, terms, or termination of the surcharge under the Settlement, nor provide SFPP a basis to claim an increase in the costs included in the surcharge. Accordingly,

¹ The Joint Conditional Notice attached as Attachment 4 to the Settlement provides that the shipper parties' withdrawal of their protests will become effective when this order approves the Settlement without modification as fair, reasonable, and in the public interest and the order approving the Settlement is final and no longer subject to appeal.

² The reserved issues are (1) whether an eight parts per million sulfur content specification is just and reasonable, and (2) whether certain sulfur analyzers are used and useful under the Commission's regulations.

this order terminates the captioned proceedings. The Commission's approval of the Settlement does not constitute approval of, or precedent regarding, any principle or issue in these proceedings.

By direction of the Commission.

Kimberly D. Bose,
Secretary.