

133 FERC ¶ 61,251
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

December 22, 2010

In Reply Refer To:
MV Purchasing, LLC
Docket No. OR11-2-000

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Attention: Steven H. Brose
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Reference: Granting of Temporary Waivers of Sections 6 and 20
of the Interstate Commerce Act

Ladies and Gentlemen:

1. On November 19, 2010, MV Purchasing, LLC (MV Purchasing) filed a request for temporary waiver of the filing and reporting requirements of sections 6 and 20 of the Interstate Commerce Act (ICA)¹ and Parts 341 and 357 of the Commission's regulations with respect to a pipeline MV Purchasing is leasing from Magellan Pipeline Company, L.P. (Magellan), which extends from El Dorado, Kansas to Cushing, Oklahoma.
2. MV Purchasing states that, pursuant to the lease agreement, Magellan will convert the pipeline from refined products to crude and transportation service. MV Purchasing also states it will lease the entire capacity and construct the necessary connection facilities at MV Purchasing's El Dorado gathering facility and at a third-party terminal at Cushing to facilitate movements between the two points.

¹ Specifically, 49 U.S.C. app. § 6 requires interstate oil pipelines to file all their rates, fares, and charges for transportation on their systems, and also file copies of contracts with other common carriers for any such traffic, and 49 U.S.C. app. § 20 authorizes the Commission to require annual or special reports from carriers subject to the ICA.

3. MV Purchasing states that it is responsible for all governmental regulatory compliance involving transportation of crude oil on the leased pipeline segment. MV Purchasing anticipates that the leased pipeline will be ready for service in early January 2011.

4. MV Purchasing further states that the leased pipeline will be used exclusively to transport Cushing crude oil owned by MV Purchasing, that no third party shipper has requested transportation on the line, and that MV Purchasing is not aware of any shipper that intends to request such transportation service. MV Purchasing explains that the connection to its El Dorado facility will be the only origin point and that there are no interconnections with any other pipeline between the El Dorado origin and the Cushing destination on the leased pipeline. Further, MV Purchasing is not aware of any person that intends to seek such a connection.

5. The Commission has previously granted temporary requests for waiver of the filing and reporting requirements of sections 6 and 20 of the ICA.² The Commission granted these waivers based on the fact that (1) the pipelines (or their affiliates) own 100 percent of the throughput on the line; (2) there is no demonstrated third-party interest in gaining access to or shipping upon the line; (3) no such interest is likely to materialize; and (4) there is no opposition to granting the waivers. In these cases, the Commission determined there were no active third-party shipper interests to protect under the ICA, and therefore, temporary waivers of the section 6 and 20 filing and reporting requirements were warranted. However, the Commission granted the waivers, subject to revocation should circumstances change, and required the pipelines to keep their books and records in a manner consistent with the Commission's Uniform System of Accounts.

6. MV Purchasing's request for waiver is similar to previous requests from pipelines that received waivers of the filing and reporting requirements of ICA sections 6 and 20.³ MV Purchasing's leased pipeline has no intermediate interconnections with other pipelines, and all of the products to be transported on the leased line will be owned by MV Purchasing. Further, no third party has requested transportation service on the leased line, and MV Purchasing is not aware of any third party intending to do so. Lastly, there is no opposition to the waiver request.

² *Sinclair Oil Corp.*, 4 FERC ¶ 62,026 (1978) (*Sinclair*); *Hunt Refining Co. and East Mississippi Pipeline Co.*, 70 FERC ¶ 61,035 (1995) (*Hunt*); *Ciniza Pipe Line Inc.*, 73 FERC ¶ 61,377 (1995) (*Ciniza*); *Enbridge Pipelines (NE Texas Liquids) L.P.*, 110 FERC ¶ 61,159 (2005) (*Enbridge*); *Whiting Oil and Gas Corp.*, 131 FERC ¶ 61,263 (2010).

³ Waiver of the filing requirements pursuant to sections 6 and 20 of the ICA also includes waiver of Parts 341 and 357 of the Commission's regulations, which implement the filing requirements of sections 6 and 20 of the ICA.

7. The Commission concludes that, given the physical characteristics of the facilities and the nature of the pipeline's operations, MV Purchasing meets the criteria necessary to qualify for a temporary waiver consistent with the Commission's rulings in *Sinclair*, *Hunt*, *Ciniza*, *Enbridge*, and *Whiting Oil and Gas Corp.*

8. Accordingly, the Commission grants MV Purchasing a temporary waiver of the filing and reporting requirements of ICA sections 6 and 20 relating to the pipeline subject to the lease agreement with Magellan. Because these waivers are temporary, the Commission also directs MV Purchasing to immediately report to the Commission any change in the circumstances on which these waivers are based. Specifically, MV Purchasing must report any changes including, but not limited to (1) increased accessibility of other pipelines or refiners to its facilities; (2) changes in the ownership of the facilities; (3) changes in the ownership of the crude oil shipped; and (4) shipment tenders or requests for service by any person. In addition, MV Purchasing must maintain all books and records in a manner consistent with the Uniform System of Accounts for Oil Pipelines, 18 C.F.R. Part 352, and make such books and records available to the Commission or its duly authorized agents upon request.

By direction of the Commission.

Kimberly D. Bose,
Secretary.