

139 FERC ¶ 61,005
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

April 3, 2012

In Reply Refer To:

Tesoro Refining and Marketing Company, *et al.*
v. Calnev Pipe Line LLC
Docket Nos. OR07-7-000, OR07-7-001,
OR07-7-002, OR07-18-000,
OR07-18-001, OR07-18-002,
OR07-18-003, OR07-19-000,
OR07-19-001, OR07-19-002,
OR07-22-000, OR07-22-001,
OR07-22-002, OR09-15-000,
OR09-15-001, OR09-20-000,
and OR09-20-001

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Dear Counsel:

1. On February 22, 2012, Calnev Pipe Line LLC (Calnev) and the shipper complainants¹ in the above-captioned proceedings filed an offer of settlement (Settlement) pursuant to Rule 602 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.602 (2011). The Settlement resolves all issues set for hearing in the Commission's March 17, 2011 Order Consolidating Certain Complaint Proceedings and Establishing Hearing Procedures, 134 FERC ¶ 61,214 (2011). On February 28, 2012, Commission Trial Staff filed initial comments supporting the Settlement. No other comments were filed. The Settlement was certified to the Commission as uncontested on March 1, 2012, 138 FERC ¶ 63,012 (2012).
2. The Settlement provides for cash payments from Calnev to each individual complainant in full satisfaction of its complaint/claims against Calnev. In consideration of these payments and other covenants reflected in the Settlement, the complainants have agreed to withdraw the subject complaints, and the parties, in Attachment A to the Settlement, have filed a joint motion with the Commission to permit the withdrawal of the complaints upon fulfillment of two conditions: the Settlement becoming effective under its terms, and the Commission's receipt of written certification from Calnev that it has made the payments to each shipper complainant as required by the Settlement.
3. The Settlement also establishes "Settlement Rates" consisting of a \$1.2415/bbl pipeline rate and a \$0.306/bbl terminal rate. The Settlement Rates are subject to change if the effective date of the Settlement falls on or after June 1, 2012. The Settlement Rates may be adjusted only under limited circumstances specified in the Settlement. All current or future claims which any complainant may have concerning Calnev's interstate rates during the specified "Settlement Period" running from March 23, 2005 to June 1, 2014, are deemed extinguished and satisfied pursuant to the Settlement.
4. The Settlement appears fair and reasonable and in the public interest, and it is hereby approved without modification.² The Commission also grants the Joint Conditional Motion for Permission to Withdraw Complaints, attached as Attachment A to

¹ Tesoro Refining and Marketing Company, Chevron Products Company, Valero Marketing and Supply Company, ConocoPhillips Co., BP West Coast Products, LLC, America West Airlines, Inc., US Airways, Inc., Continental Airlines, Inc., Northwest Airlines, Inc., and Southwest Airlines Co.

² The parties intend that the just and reasonable standard of review would govern the Commission's resolution of any proposal to modify the Settlement after approval. *See* page 10 of the joint explanatory statement regarding the Settlement.

the Settlement, subject to the conditions stated in that motion.³ Commission approval of this Settlement does not constitute approval of, or precedent regarding, any principle or issue involved in these proceedings.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

³ Upon fulfillment of the conditions in Attachment A to the Settlement, *i.e.*, the Settlement's becoming effective under its terms and receipt by the Commission of written certification that Calnev has made the payments required by Section III.D of the Settlement, Docket Nos. OR07-7-000, OR07-7-001, OR07-7-002, OR07-18-000, OR07-18-001, OR07-18-002, OR07-18-003, OR07-19-000, OR07-19-001, OR07-19-002, OR07-22-000, OR07-22-001, OR07-22-002, OR09-15-000, OR09-15-001, OR09-20-000, and OR09-20-001 will be terminated.