

144 FERC ¶ 61,112  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;  
Philip D. Moeller, John R. Norris,  
Cheryl A. LaFleur, and Tony Clark.

BP Pipelines (Alaska) Inc.

Docket Nos. IS13-506-000  
OR13-27-000

ConocoPhillips Transportation Alaska, Inc.

IS11-306-000, *et al.*  
(Consolidated)

ORDER GRANTING PARTIAL WAIVER, ACCEPTING AND SUSPENDING  
TARIFF, SUBJECT TO REFUND, CONSOLIDATING PROCEEDINGS, AND  
HOLDING PROCEEDINGS IN ABEYANCE

(Issued August 7, 2013)

1. On July 9, 2013, BP Pipelines (Alaska) Inc. (BPPA) filed in Docket No. IS13-506-000, a FERC tariff record (No. 43.5.0)<sup>1</sup> to be effective August 9, 2013. BPPA proposes to increase its rate for interstate transportation of crude oil on its share Trans Alaska Pipeline System (TAPS) capacity from \$6.24 per barrel to \$6.68 per barrel. BPPA also filed a petition in Docket No. OR13-27-000, for a partial waiver of 18 C.F.R. § 346.2(a)(1)(ii) (2013) to allow it to use the test period data used by other TAPS Carriers in their recent rate filings. The State of Alaska (Alaska) and Anadarko Petroleum Corporation (Anadarko) filed protests to BPPA's rate filing.

2. The Commission will accept and suspend the referenced tariff, to become effective August 9, 2013, subject to refund and will grant the requested partial waiver. The Commission also will consolidate BPPA's filing with the already-consolidated proceedings in Docket No. IS11-306-000, *et al.*, which are being held in abeyance pending the outcome of the consolidated cases in Docket No. IS09-348-004, *et al.*

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<sup>1</sup> BP Pipelines (Alaska) Inc., FERC Oil Tariff, Oil Pipeline Tariffs, [2013 July Rate Filing, FERC 43.0.0, 43.5.0](#).

## **Background**

3. Crude oil streams produced from different fields on the Alaska North Slope are commingled into a common stream and shipped to market on TAPS. BPPA is one of the carrier-owners of TAPS.<sup>2</sup> Each TAPS Carrier possesses an undivided joint interest and a corresponding entitlement to ownership of TAPS capacity.
4. Prior to Opinion No. 502,<sup>3</sup> each TAPS Carrier charged individual rates that varied significantly among them. In Opinion No. 502, the Commission directed the TAPS Carriers to charge a uniform rate for interstate transportation service. The Commission explained that it is just and reasonable for the TAPS Carriers to charge one rate because they all provide identical interstate transportation service to shippers, regardless of whose capacity is used, and they all have essentially the same cost-of-service.
5. Following issuance of Opinion No. 502, the TAPS Carriers filed tariffs to comply with that opinion. Alaska and Anadarko protested the filings. On June 30, 2009, the Commission issued an order addressing the various tariff filings of the TAPS Carriers in Docket No. IS09-348-000, *et al.*<sup>4</sup> The June 30, 2009 Order stated that, while the Commission established a clear policy in Opinion No. 502 that a uniform rate should apply for transportation service on TAPS, the individual rates filed by the TAPS Carriers vary and cover different periods of time. To implement its directive that the TAPS Carriers must charge a uniform rate, the Commission consolidated the rate filings with the pending TAPS rate proceedings because all of the proceedings involve the same issues.<sup>5</sup> In the June 30, 2009 Order, the Commission stated that the consolidation ensures that a single proceeding will determine a just and reasonable uniform rate for TAPS.

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<sup>2</sup> The other current TAPS Carriers are ConocoPhillips Transportation Alaska, Inc. (CPTAI) and ExxonMobil Pipeline Company (EMPCO). In June 2012 Unocal Pipeline Company (Unocal) and Koch Alaska Pipeline Company (Koch) advised the Commission of their intent to withdraw from TAPS as of August 1, 2012, and to transfer their ownership interests to the remaining Carriers. The Regulatory Commission of Alaska has approved the transfer of Koch's interest but as yet has not done so as to Unocal.

<sup>3</sup> *BP Pipelines (Alaska) Inc.*, Opinion No. 502, 123 FERC ¶ 61,287 (2008).

<sup>4</sup> *BP Pipelines (Alaska) Inc.*, 127 FERC ¶ 61,316 (2009) (June 30, 2009 Order).

<sup>5</sup> Certain TAPS Carriers made rate filings after June 30, 2010, which the Commission consolidated with the ongoing Docket No. IS09-348-004, *et al.*, proceedings.

6. By order issued January 13, 2010, the Chief Administrative Law Judge (Chief ALJ) severed the issues raised in the various filings into two phases, the Strategic Reconfiguration (SR) Phase (Docket No. IS09-348-004) and the Non-SR Phase (Docket No. IS09-348-000). The SR case is pending according to separate procedural schedules and is in varying stages of completion.<sup>6</sup> Subsequently, in Docket No. IS11-306-000, *et al.*,<sup>7</sup> the TAPS Carriers' rate increases filed in 2011 were consolidated, set for hearing, and held in abeyance pending the outcome of the proceedings in Docket No. IS09-348-004, *et al.*

7. On July 16, 2013, the Commission issued an order accepting a contested settlement resolving the Non-SR issues.<sup>8</sup>

8. More recently, CPTAI and EMPCO both proposed to increase their interstate transportation rate on their respective shares of the TAPS capacity to \$6.68. The Commission accepted and suspended these filings, subject to refund, consolidation, and abeyance pending the outcome of the proceedings in Docket No. IS09-348-000, *et al.*<sup>9</sup>

### **Request for Partial Waiver**

9. BPPA states it calculated the rate reflected in its FERC Tariff No. 43.5.0 in compliance with the ratemaking methodology prescribed by the Commission in Opinion No. 502 and the orders issued on rehearing of that opinion.<sup>10</sup> BPPA further states that on

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<sup>6</sup> On December 28, 2012, the Commission approved an uncontested partial settlement of the SR Phase. *BP Pipelines (Alaska) Inc.*, 141 FERC ¶ 61,263 (2012). Also, on June 25, 2013, the Chief ALJ issued an order extending the Initial Decision deadline to on or before October 31, 2013, due to the magnitude of the record and complexity of the issues.

<sup>7</sup> *Unocal Pipeline Co.*, 136 FERC ¶ 61,144 (2011). Unocal filed its 2011 TAPS rate increase in Docket No. IS11-546-000, which the Commission accepted and suspended and consolidated with the proceedings in Docket No. IS11-306-000, *et al.* The parties treat Docket No. IS11-306-000, filed by ConocoPhillips Transportation Alaska, Inc., as the lead proceeding for the consolidated TAPS 2011 rate filings.

<sup>8</sup> *BP Pipelines (Alaska) Inc.*, 144 FERC ¶ 61,025 (2013).

<sup>9</sup> *ConocoPhillips Transportation Alaska, Inc.; ExxonMobil Pipeline Co.*, 144 FERC ¶ 61,080 (2013).

<sup>10</sup> *BP Pipelines (Alaska) Inc.*, 125 FERC ¶ 61,215 (2008), *order on reh'g*, 127 FERC ¶ 61,317 (2009).

June 28, 2013 and on July 2, 2013, respectively, CPTAI and EMPCO filed to increase their rates for interstate transportation on TAPS to \$6.68.<sup>11</sup> BPPA states that in the instant filing, it used the same methodology and base and test periods used by both CPTAI and EMPCO in their filings. BPPA maintains that, because of the Commission's ruling requiring a uniform rate on TAPS, and because CPTAI and EMPCO filed their tariffs so recently, BPPA has adopted the test period data that CPTAI and EMPCO used rather than developing separate test period data. Accordingly, BPPA states that its filing includes a petition for a partial waiver of section 346.2(a)(1)(ii) of the Commission's regulations. BPPA asserts that the Commission has granted previous requests for waiver in response to its filings in Docket Nos. IS11-335-000,<sup>12</sup> IS12-458-000,<sup>13</sup> and IS13-108-000.<sup>14</sup>

### **Protests**

10. Alaska and Anadarko protest the instant rate filing. They argue that the proposed rate increase has not been shown to be just and reasonable, and that the rate filing raise numerous issues similar to the issues raised with respect to the TAPS Carriers' prior rate filing increases that were all set for hearing in Docket No. IS11-306-000, *et al.* They urge the Commission to suspend the tariffs, subject to refund, consolidate them with the proceedings in Docket No. IS11-306-000, *et al.*, and hold them in abeyance pending the resolution of the SR proceedings currently pending in Docket No. IS09-348-004, *et al.* They do not object to grant of the partial waiver.

### **BPPA's Response**

11. BPPA filed answers to each protest, observing that Alaska and Anadarko raise many of the same issues they raised with respect to past TAPS Carriers' rate filings. BPPA asks the Commission to reject these contentions, and accept its filing effective August 9, 2013, subject to refund. BPPA contends that any investigation into the current

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<sup>11</sup> On July 31, 2013, the Commission issued an order accepting and suspending CPTAI's and EMPCO's filings, subject to refund, consolidating the filings with the proceedings in Docket No. IS11-306-000, *et al.*, and holding them in abeyance pending the outcome of the proceedings in IS09-348-000, *et al.*, and IS09-348-004, *et al.* *ConocoPhillips Transportation Alaska, Inc.*, 144 FERC ¶ 61,080 (2013).

<sup>12</sup> *BP Pipelines (Alaska) Inc.*, 135 FERC ¶ 61,221 (2011).

<sup>13</sup> *BP Pipelines (Alaska) Inc.*, 140 FERC ¶ 61,025 (2012).

<sup>14</sup> *BP Pipelines (Alaska) Inc.*, 142 FERC ¶ 61,046 (2013).

filing should be consolidated with the consolidated proceedings in Docket Nos. IS11-306-000, *et al.*, which are being held in abeyance pending resolution of the ongoing SR proceedings in Docket No. IS09-348-004, *et al.*

### **Commission Analysis**

12. As discussed below, the Commission will grant BPPA's request for a partial waiver and will accept FERC Tariff No. 43.5.0 to become effective August 9, 2013. The Commission also will consolidate BPPA's FERC Tariff No. 43.5.0 with existing ongoing proceedings involving the TAPS Carriers' rates.

13. The Commission finds that BPPA demonstrated good cause exists to grant its petition for partial waiver of section 346.2(a)(1)(ii) of the Commission's regulations. This will allow BPPA to change its rates using base period and test period adjustments, as well as cost, revenue, and throughput data that are consistent with the data reflected in CPTAI's and EMPCO's recently approved tariff filings in Docket Nos. IS13-480-000 and IS13-496-000, respectively. This action is consistent with Commission action addressing previous similar requests by BPPA,<sup>15</sup> and will aid in achieving a uniform TAPS rate. Accordingly, the Commission finds that BPPA made an adequate initial showing and that granting the partial waiver of the Commission's regulations will further the goal of a uniform TAPS rate while preserving the rights of all contesting parties to that rate.

14. As stated above, the Chief ALJ severed the issues in the pending TAPS rate cases into two phases. BPPA's filing and the protests raise many of the same issues being addressed in the SR proceeding in Docket No. IS09-348-004, *et al.*, and being held in abeyance in Docket Nos. IS11-306-000, *et al.* Further, the instant filing and the protests raise a number of issues that cannot be resolved on the basis of the existing record. Accordingly, the Commission will consolidate BPPA's filing with the consolidated proceedings in Docket Nos. IS11-306-000, *et al.*, which will allow FERC Tariff No. 43.5.0 to be held in abeyance pending resolution of the ongoing SR proceedings in Docket No. IS09-348-004, *et al.* Addressing the common issues in the TAPS Carriers' rate filings in this fashion ensures that a single proceeding will determine a just and reasonable uniform rate for TAPS, consistent with the pooling methodology in the recently approved settlement in Docket No. IS09-348-007, *et al.*<sup>16</sup>

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<sup>15</sup> *E.g.*, *BP Pipelines (Alaska) Inc.*, 142 FERC ¶ 61,046 (2013), 140 FERC ¶ 61,025 (2012) and 135 FERC ¶ 61,221 (2011).

<sup>16</sup> *BP Pipelines (Alaska) Inc.*, 144 FERC ¶ 61,025 (2013).

The Commission orders:

(A) BPPA's petition for a partial waiver of section 346.2(a)(1)(ii) of the Commission's regulations is granted, as discussed in the body of this order.

(B) BPPA's FERC Tariff No. 43.5.0 is accepted and suspended to become effective August 9, 2013, subject to refund and further order of the Commission.

(C) The subject Docket No. IS13-506-000 proceeding is consolidated with the consolidated proceedings in Docket No. IS11-306-000, *et al.*, which are being held in abeyance pending the resolution of the ongoing SR proceedings in Docket Nos. IS09-348-004, *et al.*

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.