

147 FERC ¶ 61,195
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

June 10, 2014

In Reply Refer To:
MarkWest Bluestone Ethane
Pipeline, L.L.C.
Docket No. OR14-26-000

JOHN & HENGERER
1730 Rhode Island Avenue, NW
Suite 600
Washington, DC 20036-3013

Attention: Gordon J. Smith

Dear Mr. Smith:

1. On April 2, 2014, MarkWest Bluestone Ethane Pipeline, L.L.C. (Bluestone) 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 the Commission's implementing regulations thereunder.
2. Bluestone, a wholly-owned subsidiary of MarkWest Liberty Midstream & Resources (Liberty Mainstream), is currently building a natural gas liquids (NGL) pipeline in eastern-central Pennsylvania. Bluestone's affiliate, MarkWest Liberty Bluestone, L.L.C. (MarkWest Liberty) owns and operates a natural gas processing complex in Butler County, Pennsylvania, near Evans City, that processes and removes NGLs, including ethane and propane, produced from various natural gas sources in the Marcellus Shale formation.
3. Bluestone's new 8" diameter NGL pipeline, with an operating capacity of 45,000 barrels of NGLs per day, will transport NGL products from Butler County, at the

¹ See 49 App. U.S.C. §§ 6, 20 (1988). Section 6 requires interstate oil pipelines to file all rates, fares, and charges for transportation on their systems, as well as to file copies of contracts with other common carriers for any such traffic. Section 20 authorizes the Commission to require annual or special reports from carriers subject to the ICA.

tailgate of the de-ethanization facilities of the MarkWest Liberty processing complex. The pipeline will then run roughly west for 30 miles to its terminus at an interconnection with the Sunoco Pipeline, L.P. Mariner West mainline system in Beaver County, Pennsylvania. There are no intermediate pipeline or wellhead interconnections anywhere along the new pipeline.

4. Bluestone claims it will use the new pipeline exclusively to transport purity ethane and other NGLs produced and owned by its parent Liberty Midstream. Bluestone states it does not provide transportation service to third-party shippers, and there is no expectation that it will do so in the future. Bluestone submits that under these circumstances, the Commission has found that there is no third-party interest to protect.

5. Bluestone maintains the Commission historically has granted temporary waivers to pipelines that, while not exempt from the ICA as private carriers, nevertheless were given waivers because factual circumstances showed that the traditional filing and reporting requirements of the ICA were unnecessary because there is no third-party interest to protect. In particular, continues Bluestone, the Commission has granted temporary waivers where the pipeline has shown that (a) the pipeline or its affiliate owns 100 percent of the throughput on the line; (b) there is no demonstrated third-party interest in gaining access to or shipping on the line; (c) no such interest is likely to materialize; and (d) there is no opposition to granting the waivers.

6. Bluestone asserts that it meets the Commission's criteria for granting a temporary waiver because no other potential shipper has requested Bluestone provide transportation service on the NGL pipeline. Also, the NGL pipeline has no intermediate pipeline or wellhead interconnects anywhere on the pipeline. Bluestone states that it is unaware of any opposition to its request for a temporary waiver.

7. Finally, Bluestone affirms that it will comply with the conditions previously imposed in grants of similar temporary waivers. Specifically, Bluestone agrees that it will promptly report any material changes to the facts set forth in the instant request, including (a) any request by an unaffiliated party to tender products on or interconnect with the NGL pipeline; (b) the sale of Bluestone to any unaffiliated entity, or (c) any significant expansion or modification of the NGL pipeline. Bluestone further affirms that it will maintain its books and records in accordance with the requirements of the Commission's Uniform System of Accounts for Oil Pipelines.

8. Public notice of the Bluestone filing was issued April 9, 2014, with interventions and protests due as provided in accordance with Rules 211 and 214 of the Commission's regulations.² No interventions or protests were filed.

² 18 C.F.R. §§ 385.211 and 385.214 (2013).

9. The Commission concludes that given the physical characteristics of the facilities and the limited nature of the NGL pipeline, Bluestone 's NGL pipeline meets all the of the criteria necessary to qualify for a temporary waiver consistent with prior Commission's rulings.³ For example, in *Ciniza Pipe Line, Inc.*,⁴ the Commission granted a waiver after finding that "there are no immediate or prospective shippers on Ciniza other than itself and no other shippers on [the pipeline] other than its parent company to protect under the provisions of the ICA."

10. Accordingly, the Commission grants Bluestone a temporary waiver of the Commission's filing and reporting requirements implementing sections 6 and 20 of the ICA as these requirements relate to its NGL pipeline. Because these waivers are temporary, we also direct Bluestone to immediately report to the Commission any change in the circumstances which the Commission found warranted granting this waiver. Specifically, Bluestone 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 NGLs or by-products being shipped; and, (4) shipment tenders or requests for service by any person. In addition, Bluestone 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.

³ See, e.g., *Sinclair Oil Corp.*, 4 FERC ¶ 62,026 (1978); *Hunt Refining Co. and East Mississippi Pipeline Co.*, 70 FERC ¶ 61,035 (1995); *Ciniza Pipe Line Inc.*, 73 FERC ¶ 61,377 (1995) (*Ciniza*), *Enbridge Pipelines (NE TexasLiquids) L.P.*, 110 FERC ¶ 61,159 (2005), and *Enbridge Pipelines (NE TexasLiquids) L.P.*, 117 FERC ¶ 61,046 (2006).

⁴ *Ciniza Pipe Line Inc.*, 73 FERC ¶ 61,377, at 62,173 (1995).