

149 FERC ¶ 61,024
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

October 10, 2014

In Reply Refer To:
Seaway Crude Pipeline Company LLC
Docket No. IS14-688-000

Seaway Crude Pipeline Company LLC
1100 Louisiana Street
Houston, TX 77002-5227

Attention: Diane A. Daniels
Regulatory Affairs

Ladies and Gentlemen:

1. On September 11, 2014, Seaway Crude Pipeline Company LLC (Seaway) filed FERC Tariff No. 2.8.0,¹ cancelling FERC Tariff No. 2.7.0, with an effective date of October 1, 2014. The tariff added Nederland, Texas as a new destination and includes language stating, “*FERC No. 2.8.0 is subject to the outcome of the Docket No. IS12-226 cost of service proceeding and will remain subject to refund until that proceeding is concluded.*” Seaway did not propose any changes to its currently effective rates.
2. Seaway requests special permission for a waiver of the notice requirement under Section 6(3) of the Interstate Commerce Act (ICA) to permit FERC No. 2.8.0 to become effective on nineteen (19) days’ notice. The shortened notice period responds to a shipper request to begin service to the new destination point by October 1, 2014.
3. Several shippers protested or sought clarification of the language highlighted above and one shipper group intervened. Suncor Energy Marketing Inc. and Suncor Energy (U.S.A) Marketing Inc. (Suncor) jointly protested Seaway’s Tariff No. 2.8.0 stating the proposed rates to the new destination may not be just and reasonable. Suncor also states that because Seaway’s current rates are under investigation in Docket

¹ Seaway Crude Pipeline Company LLC, FERC Oil Tariff, Tariffs – LLC; [Rates, Rules & Regs, FERC No. 2.8.0, 2.8.0.](#)

No. IS12-226-000 and subject to refund, the Commission should conditionally accept the proposed rates subject to refund. Suncor requests in the alternative that the Commission initiate a new cost-of-service investigation to determine whether the proposed rates are just and reasonable.

4. Apache Corporation (Apache) and Noble Energy, Inc. (Noble) seek clarification regarding the Commission's interpretation of the language "subject to the outcome of the Docket No. IS12-226 cost of service proceeding" stated in Seaway's tariff. The Canadian Association of Petroleum Products intervened and commented noting that any protest questioning the "justness and reasonableness of those rates *vel non* is obviated by the condition that rates to Nederland are subject to the outcome" of the Docket No. IS12-226-000 proceeding.

5. Seaway filed an answer clarifying Apache's, Noble's, and Suncor's concerns that the rates to all destinations in Tariff No. 2.8.0 are subject to refund pending the outcome of the Docket No. IS12-226-000 rate proceeding. As to Suncor's additional request of cost-of-service investigation, Seaway states, "There is simply no reason to initiate a proceeding to examine rates that are already under review." Thus, Seaway respectfully requests that Commission deny Suncor's protest and proposal to initiate a new cost-of-service investigation.

6. The Commission rejects Suncor's alternative proposal to initiate a new cost-of-service investigation as unnecessary. The Commission will grant the request for waiver of the notice requirement under Section 6(3) of the ICA to permit FERC No. 2.8.0 to become effective subject to refund and conditions.

7. Accordingly, pursuant to the authority contained in the ICA, particularly Section 15(7) thereof, the Commission accepts and suspends Seaway's FERC No. 2.8.0, allowing it to become effective October 1, 2014 subject to refund, the outcome of the hearing procedures in Docket No. IS12-226, and further order of the Commission.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.