

149 FERC ¶ 61,192  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

December 1, 2014

In Reply Refer To:  
Holly Energy Partners, L.P.  
Docket No. OR15-1-000

Van Ness Feldman, LLP  
1050 Thomas Jefferson Street, NW  
7<sup>th</sup> Floor  
Washington, DC 20007-3877

Attention: Brian D. O'Neill

Dear Mr. O'Neill:

1. On October 1, 2014, Holly Energy Partners, L.P. (HEP) filed a request for temporary waiver of the filing and reporting requirements of sections 6 and 20 of the Interstate Commerce Act (ICA)<sup>1</sup> and the Commission's implementing regulations thereunder.
2. HEP states that it is a subsidiary of HollyFrontier Corporation (HFC), and in 2004 acquired an eight-inch diameter crude oil pipeline known as the Malaga Line South Section (MLSS) originally used in product service. A larger diameter pipe replaced the MLSS in 2009. HEP retained the pipe in anticipation of future commercial use and it has been unused from 2009 until now. The pipeline runs for six miles from Culberson County, Texas to White City Station, New Mexico. There are no intermediate pipeline or wellhead interconnections anywhere along the new pipeline.
3. HEP recently entered into contracts with producers in Culberson County, Texas, to purchase production for shipment to affiliated storage at HEP's White City Station, New

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<sup>1</sup> 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.

Mexico. HEP claims it will use the pipeline exclusively to transport crude oil owned by HFC or its affiliates. HEP states it does not provide transportation service to third-party shippers, and there is no expectation that it will do so in the future. HEP submits that under these circumstances, the Commission has found that there is no third-party interest to protect.

4. HEP 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 HEP, 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.

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

6. Finally, HEP affirms that it will comply with the conditions previously imposed in grants of similar temporary waivers. Specifically, HEP agrees that it will promptly report any material changes to the facts set forth in the instant request, including but not limited to (a) increased accessibility of the other pipelines or refiners to the subject facilities; (b) changes in the ownership of the subject facilities; (c) changes in the ownership of the crude oil shipped; and, (d) shipment tenders or requests for service by any person. HEP 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.

7. Public notice of the HEP filing was issued October 7, 2014, with interventions and protests due as provided in accordance with Rules 211 and 214 of the Commission's regulations. No interventions or protests were filed.

8. The Commission concludes that given the physical characteristics of the facilities and the limited nature of the MLSS pipeline, HEP's MLSS pipeline meets all of the criteria necessary to qualify for a temporary waiver consistent with prior Commission rulings.

9. Accordingly, the Commission grants HEP a temporary waiver of ICA sections 6 and 20, and the Commission's filing and reporting requirements implementing those sections as these requirements relate to its MLSS pipeline. Because these waivers are temporary, we also direct HEP to immediately report to the Commission any change in

the circumstances that the Commission found warranted granting these waivers. Specifically, HEP must report any changes including, but not limited to (a) increased accessibility of the other pipelines or refiners to the subject facilities; (b) changes in the ownership of the subject facilities; (c) changes in the ownership of the crude oil shipped; and (d) shipment tenders or requests for service by any person. In addition, HEP 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.