

155 FERC ¶ 61,294
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;
Cheryl A. LaFleur, Tony Clark,
and Colette D. Honorable.

ConocoPhillips Transportation Alaska, Inc.	Docket Nos. IS16-312-000
ExxonMobil Pipeline Company	IS16-313-000
BP Pipelines (Alaska) Inc.	IS16-327-000
ConocoPhillips Transportation Alaska, Inc.	Docket No. IS11-306-000, et al. (Consolidated)

ORDER ACCEPTING AND SUSPENDING TARIFFS, SUBJECT TO REFUND,
CONSOLIDATING PROCEEDINGS FOR HEARING,
AND CONSOLIDATING WITH ONGOING PROCEEDINGS

(Issued June 22, 2016)

1. On May 23, 2016, ConocoPhillips Transportation Alaska, Inc. (ConocoPhillips) and ExxonMobil Pipeline Corporation (ExxonMobil) filed FERC Tariff Nos. 19.8.0¹ and 402.7.0,² respectively, to become effective May 24, 2016. Also, on May 23, 2016, Koch Alaska Pipeline Company, LLC (Koch) and Unocal Pipeline Company (Unocal) filed only revised cost-of-service calculation pertaining to their respective previously

¹ ConocoPhillips Transportation Alaska, Inc., FERC Oil Tariff, ConocoPhillips Transportation Alaska, Inc. Tariffs, [Cancels FERC Tariff No. 19.7.0, CPTAI FERC Tariff No 19.8.0, 1.0.0.](#)

² ExxonMobil Pipeline Company, FERC Oil Tariff, CRUDE AND PRODUCT TARIFFS, [Purdue Bay-Valdez AK, FERC Tariff No. 402.6.0, 7.0.0.](#)

consolidated dockets listed above.³ On May 25, 2016, BP Pipelines (Alaska) Inc. (BP) filed F.E.R.C. Tariff No. 43.9.0 to become effective July 1, 2016.⁴ ConocoPhillips, ExxonMobil and BP (Trans Alaska Pipeline System (TAPS) Carriers)⁵ propose revised transportation rates to comply with the April 21 Commission Order⁶ which directed the TAPS Carriers to file revised rates consistent with the holding of Opinion No. 544.⁷ The State of Alaska (Alaska) and Anadarko Petroleum Corporation (Anadarko) filed motions to intervene and protests. The TAPS Carriers filed a response to these protests. Anadarko filed comments to the TAPS Carriers' answer.

2. The Commission will accept and suspend the referenced tariffs, to become effective on the proposed dates subject to refund and conditions. The Commission also will consolidate the subject TAPS Carriers' compliance filings with the already-consolidated proceedings in Docket No. IS11-306-000, *et al.* The Commission will also address the revised cost-of-service filings of Koch and Unocal in the consolidated proceeding.

Background

3. Opinion No. 544 concluded the litigation in Docket No. IS09-348-004, *et al.*,⁸ holding, among other things, that the Strategic Reconfiguration Project (SR Project) was imprudent. The SR Project involved replacing the four TAPS pump stations with new pumps driven by variable-speed electric motors as opposed to the existing gas and diesel

³ Koch and Unocal provided final notice of their withdrawal from TAPS effective as of August 1, 2012. Koch has completed its exit, and Unocal is in the process, subject to applicable governmental approvals, of completing the transfer of its TAPS interests to the remaining Carriers.

⁴ BP Pipelines (Alaska) Inc., FERC Oil Tariff, Oil Pipeline Tariffs, [Tariff, FERC 43.0.0, 43.9.0](#).

⁵ At the time of the 2009 and 2010 rate filings issue in this proceeding, the TAPS Carriers consisted of BP, ConocoPhillips, ExxonMobil, Koch, and Unocal.

⁶ *BP Pipelines (Alaska) Inc.*, 155 FERC ¶ 61,054 (2016) (April 21 Commission Order).

⁷ *BP Pipelines (Alaska) Inc.*, Opinion No. 544, 153 FERC ¶ 61,233 (2015).

⁸ *See, e.g., ConocoPhillips Transportation Alaska*, 135 FERC ¶ 61,184 (2011).

turbines. The SR Project also replaced the existing control systems in order to automate the pump stations.

4. The April 21 Commission Order directed the TAPS Carriers to file revised costs-of-service and rates reflecting the holdings of Opinion No. 544. In addition, the Commission directed preliminary refunds regarding the disallowed SR Project costs.

5. The Commission had held in abeyance hearings on other TAPS rate proceedings subject to the outcome of ongoing cost of service rate proceedings in Docket No. IS09-348-004, *et al.* As a consequence, the April 21 Commission Order lifted this abeyance and directed the commencement of hearing proceedings to address the remaining issues in the already-consolidated dockets.

Protests and Interventions

6. Alaska and Anadarko state that the subject TAPS Carriers' rate and compliance filings do not fully comply with Opinion No. 544 and lack the information necessary to determine compliance. Alaska and Anadarko also urge the Commission to suspend the proposed tariffs subject to refund and hearing, and consolidate the proposed rates with the 2011-2015 TAPS rate proceedings in Docket No. IS11-306-000, *et al.* All timely interventions and unopposed motions to intervene filed before the issuance date of this order are granted.

TAPS Carriers' Response

7. The TAPS Carriers argue their revised rates comply with Order No. 544's rulings, but do not oppose the consolidation of the Commission's investigation of the May 23 and 25, 2016 compliance rate Tariffs with the already-consolidated ongoing TAPS proceedings.

8. Koch and Unocal state that because they did not file tariffs on May 23, 2016, they would not join in the TAPS Carriers' response that pertains to the May 23 tariffs. However, Koch and Unocal would join in the response to the extent the protests raise issues relevant to Koch's and Unocal's respective revised cost-of-service calculations.

Commission Analysis

9. The Commission will accept and suspend the proposed FERC Tariffs, effective as of the respective proposed effective dates, subject to refund, and consolidate them for investigation at hearing. The Commission also will consolidate the hearing on the proposed Tariffs with the existing ongoing proceedings involving the TAPS Carriers' rates.

10. The TAPS Carriers' filings and the protests thereto raise many of the same issues being addressed in the ongoing TAPS proceedings. Further, the instant filings and the

protests raise a number of issues that cannot be resolved on the basis of the existing record. Accordingly, it is reasonable to consolidate the subject TAPS Carriers' filings with the consolidated proceedings in Docket No. IS11-306-000, *et al.* Addressing the common issues in the TAPS Carriers' rate filings in this fashion ensures that a single proceeding will determine just and reasonable rates.

The Commission orders:

(A) The TAPS Carriers' FERC rate tariffs referenced above, are accepted and suspended, to become effective on the dates proposed, subject to refund, and are consolidated for further investigation and hearing.

(B) These proceedings concerning the TAPS Carriers' FERC compliance rate tariffs are further consolidated with the hearing on the already-consolidated proceedings in Docket Nos. IS11-306-000, *et al.*

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.