

132 FERC ¶ 61,129
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Unocal Pipeline Company (UPC)
BP Pipelines (Alaska) Inc.

Docket No. IS10-490-000
Docket No. IS09-348-004
Consolidated

ORDER ACCEPTING SPECIFIED TARIFFS, ACCEPTING AND SUSPENDING
RATE TARIFF, SUBJECT TO REFUND,
CONSOLIDATING PROCEEDINGS, AND HOLDING PROCEEDINGS
IN ABEYANCE

(Issued August 13, 2010)

1. On July 16, 2010, Unocal Pipeline Company (UPC) filed FERC Tariffs¹ proposing minor ministerial non-rate related changes in order to prepare for its baseline filing in compliance with the Commission's Order No. 714. FERC Tariff No. 312 restates UPC's existing rate with no change. UPC requests the Commission permit the tariffs to become effective August 16, 2010.
2. As discussed below, the Commission will accept FERC Tariff Nos. 309, 310, and 311, and accept and suspend FERC Tariff No. 312, subject to refund and consolidate it with the ongoing proceedings in Docket No. IS09-348-004, *et al.* with respect to strategic reconfiguration (SR) issues, and severs the non-strategic reconfiguration (Non-SR) issues holding them in abeyance pending the outcome of the consolidated cases in Docket No. IS09-348-000, *et al.*

Background

3. UPC is one of five carrier-owners of TAPS, where each owner possesses an undivided joint interest and entitlement to its percentage ownership share of TAPS

¹ FERC Tariff Nos. 309, 310, 311, and 312.

capacity.² In Opinion No. 502³ the Commission directed the Carriers to charge a uniform rate for interstate transportation service on TAPS. 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 basically have the same cost of service.

4. Following issuance of Opinion No. 502, the TAPS Carriers filed tariffs to comply with Opinion No. 502. The State of Alaska (Alaska) and Anadarko Petroleum Company (Anadarko) filed protests to these filings. On June 30, 2009,⁴ the Commission issued an order addressing the various tariff filings of the TAPS Carriers in Docket No. IS09-348-000. The June 30 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 since all the proceedings involve the same issues.⁵ By order dated January 13, 2010, the Chief Judge severed the issues raised in the various filings into two phases, the Non-SR phase (Docket No. IS09-348-000),⁶ and the SR phase (Docket No. IS09-348-004). Those two cases are now proceeding before separate Presiding Judges pursuant to separate scheduling orders.

Protests

5. Alaska filed a protest to UPC rate filing in FERC Tariff No. 312. It argues that the proposed rate has not been shown to be just and reasonable and raises numerous issues in common with the TAPS Carriers' rate increases filed in 2009 that were set for hearing in Docket No. IS09-348-000, *et al.* It urges the Commission to suspend the tariff, subject to refund and consolidate the SR issues in this case, with the SR phase of the consolidated

² The TAPS Carriers are BP, ConocoPhillips, ExxonMobil Pipeline Company, Koch Alaska Pipeline Company, LLC, and UPC.

³ *BP Pipelines (Alaska) Inc.*, 123 FERC ¶ 61,287, *order on reh'g*, 125 FERC ¶ 61,215 (2008) (Opinion No. 502).

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

⁵ Certain TAPS Carriers made rate filings after June 30, 2010, which the Commission consolidated with the ongoing Docket No. IS09-348-000 proceeding.

⁶ The Commission will address the carrier's implementation of a uniform rate in the consolidated Non-SR phase proceeding in Docket No. IS09-348-000.

2009 Taps Carriers rate proceeding currently pending in *BP Pipelines (Alaska) Inc.*, Docket No. IS09-348-004, *et al.*, and otherwise hold the remaining issues in abeyance pending the resolution of the relevant issues in the Non-SR phase of the consolidated proceeding now pending in *BP Pipelines (Alaska) Inc.*, Docket No. IS09-348-000, *et al.*

UPC's Response

6. UPC filed a response asking the Commission to deny the protest because the protest raises issues unrelated to the ministerial changes UPC proposes in FERC Tariff No. 312.

Discussion

7. As stated *supra*, P 5, the Chief Judge severed the issues in the pending TAPS rate cases into two phases. Pursuant to the scheduling order in the SR phase, Docket No. IS09-348-004, that phase is in initial discovery with no testimony filed yet and none due in the near future. Consolidating the SR issues in the instant filing in the IS09-348-004 docket would cause no significant delay or other hardship on the parties. Accordingly, the SR issues in this docket will be consolidated with the IS09-348-004 docket. The same is not true for the non-SR issues. In that phase, initial discovery has been completed and direct and answering testimony has been filed. Thus, consolidating the Non-SR issues from this filing into the ongoing Non-SR phase of the consolidated 2009 TAPS rate case in Docket No. IS09-348-000 would cause delay in that proceeding with no benefit to the parties. On the other hand, resolution of the issues in the Non-SR phase would be applicable in good part to the instant filing. Accordingly, the Non-SR issues will be held in abeyance pending the resolution of the issues in the Docket No. IS09-348-000 proceeding.

8. The Commission accepts FERC Tariff Nos. 309, 310, and 311 as proposed, and accepts and suspends FERC Tariff No. 312, subject to refund, to become effective August 1, 2010, consolidates the SR issues in this proceeding with the ongoing proceedings in Docket No. IS09-348-004, *et al.*, and holds the remaining issues in this case in abeyance pending the resolution of the relevant issues in the Non-SR phase of the consolidated 2009 TAPS rate proceeding now pending in *BP Pipelines (Alaska) Inc.*, Docket No. IS09-348-000, *et al.*

9. The Commission finds that UPC has made adequate initial showings that its filing meets the requirement of a cost-of-service filing under section 346.1 of the Commission's regulations 18 C.F.R. § 346.1 (2010). However, this tariff filing raises a number of issues of material fact that cannot be resolved on the record before us and are more appropriately addressed through hearing and settlement procedures.

10. This proceeding involves the same issues currently under consideration in both the Docket No. IS09-348-000 proceeding and the Docket No. IS09-348-004 proceeding. Consolidating the current filing with respect to the SR issues with the Docket No. IS09-348-004 proceeding and holding the Non-SR issues in abeyance pending the resolution of the issues in the Docket No. IS09-348-000 proceeding ensures a single proceeding will determine a just and reasonable uniform rate for TAPS.

The Commission orders:

(A) UPC FERC Tariff Nos. 309, 310, and 311 are accepted, effective August 16, 2010.

(B) UPC FERC Tariff No. 312 is accepted and suspended, to be effective August 16, 2010, subject to refund and further order of this Commission, and is consolidated with the ongoing proceedings in Docket No. IS09-348-004 with respect to the SR issues, and the Non-SR issues are held in abeyance pending the resolution of the issues in the Docket No. IS09-348-000 proceeding.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.