

134 FERC ¶ 61,073
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

January 31, 2011

In Reply Refer To:
Chevron Pipe Line Company
Docket No. OR11-1-000

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Attention: Ruth A. Bosek
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Reference: Temporary Waiver of Sections 6 and 20
of the Interstate Commerce Act

Ladies and Gentlemen:

1. On October 13, 2010, Chevron Pipe Line Company (Chevron) 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 Parts 341 and 357 of the Commission's regulations. The waiver is for Chevron's 20-inch "Cal-Ky" pipeline that spans 103 miles, begins in Plaquemines Parish, Louisiana and ends at an affiliates's refinery, in Pascagoula, Mississippi. The Commission grants Chevron's request for a temporary waiver, as more fully discussed below.

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

2. Chevron owns and operates the Cal-Ky crude oil pipeline whose sole destination is a refinery owned by Chevron Products, its affiliate. Chevron removed the Cal-Ky pipeline from interstate service cancelling its FERC tariff effective July 1, 2003.

3. Chevron Products requested Chevron re-activate the Cal-Ky pipeline to transport crude oil exclusively from Chevron's Empire Terminal to its refinery in Pascagoula, Mississippi. Chevron anticipates returning the Cal-Ky pipeline to service in April 2011. Chevron avers there are no interconnections with other pipelines between the Empire Terminal origin and the Chevron Products refinery destination, and it is not aware of any party that intends to seek such an interconnection.

4. The Commission has previously granted temporary requests for waiver of the filing and reporting requirements of sections 6 and 20 of the ICA.² The Commission granted these waivers where (1) the pipelines (or their affiliates) own 100 percent of the throughput on the line; (2) there is no demonstrated third-party interest in gaining access to or shipping upon the line; (3) no such interest is likely to materialize; and (4) there is no opposition to granting the waiver. In these cases, the Commission determined there were no active third-party shipper interests to protect under the ICA, and therefore, temporary waivers of the sections 6 and 20 filing and reporting requirements were warranted. However, the Commission granted the waivers, subject to revocation should circumstances change, and required the pipelines to keep their books and records in a manner consistent with the Commission's Uniform System of Accounts.

5. Chevron's request for waiver is similar to previous requests from pipelines that received waivers of the filing and reporting requirements of ICA sections 6 and 20.³ Chevron's pipeline connection with Chevron Products refining facilities has no intermediate interconnections with other pipelines or refineries. All of the crude oil transported by Chevron is owned by Chevron or its affiliate and no unaffiliated third party has requested or is likely to request transportation service on the pipeline. Finally, there is no opposition to the waiver request.

6. The Commission concludes that, given the physical characteristics of the facilities and the nature of the pipeline's operations, Chevron meets the criteria necessary to

² *Sinclair Oil Corp.*, 4 FERC ¶ 62,026 (1978) (*Sinclair*); *Hunt Refining Co. and East Mississippi Pipeline Co.*, 70 FERC ¶ 61,035 (1995) (*Hunt*); *Ciniza Pipe Line Inc.*, 73 FERC ¶ 61,377 (1995) (*Ciniza*); *Enbridge Pipelines (NE Texas Liquids) L.P.*, 110 FERC ¶ 61,159 (2005) (*Enbridge*); and *Whiting Oil and Gas Corp.* 131 FERC ¶ 61,263 (2010).

³ Waiver of the filing requirements pursuant to sections 6 and 20 of the ICA also includes waiver of Parts 341 and 357 of the Commission regulations, which implement the filing requirements of sections 6 and 20 of the ICA.

qualify for a temporary waiver consistent with the Commission's rulings in *Sinclair*, *Hunt*, *Ciniza*, *Enbridge*, and *Whiting Oil and Gas Corp.*

7. Accordingly, the Commission grants Chevron a temporary waiver of the filing and reporting requirements of ICA sections 6 and 20 relating to its crude oil pipeline system applicable to movements to Chevron Products' refinery facilities at Pascagoula, Mississippi. Because these waivers are temporary, the Commission also directs Chevron to immediately report to the Commission any change in the circumstances on which these waivers are based. Specifically, Chevron 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 crude oil shipped; and (4) shipment tenders or requests for service by any person. In addition, Chevron 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.