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136 FERC ¶ 61,071
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

July 29, 2011

In Reply Refer To:
Saddle Butte Pipeline, LLC
Docket No. OR11-12-000

Van Ness Feldman, P.C.
1050 Thomas Jefferson Street, NW, 7th Floor
Washington, DC 20007

Attention: Mona Tandon, Esq.
Attorney for Saddle Butte Pipeline, LLC

Reference: Temporary Waiver of Sections 6 and 20
of the Interstate Commerce Act

Ladies and Gentlemen:

1. On May 31, 2011, Saddle Butte Pipeline, LLC (Saddle Butte) filed a request for temporary waiver of the tariff 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 which implement these filing and reporting requirements.
2. Saddle Butte states it will own and operate approximately 35 miles of crude oil pipelines located wholly within the State of North Dakota. Saddle Butte states it will only transport its own supplies of oil produced from the Bakken Shale Formation in North Dakota to its truck take-away facility located in Johnson's Corner in McKenzie County, North Dakota, and to an interconnection with the Four Bears Pipeline, also located in McKenzie County.

¹49 App. U.S.C. §§ 6 and 20 (1988). Section 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. Section 20 authorizes the Commission to require annual or special reports from carriers subject to the ICA.

3. 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 based on the fact that: (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 on the line; (3) no such interest is likely to materialize; and (4) there is no opposition to granting the waivers. 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, such waivers were subject to revocation should circumstances change, and the pipelines were required to keep their books and records in a manner consistent with the Commission's Uniform System of Accounts.

4. Under the facts presented by Saddle Butte, it will own 100 percent of the throughput on the pipeline, and will not provide transportation services for any third parties. Saddle Butte believes that no such interest is likely to materialize in the future because of a lack of access to the pipeline. Saddle Butte adds that there are no intermediate connections with any other pipelines or truck receiving facilities between the origin of the pipeline and either the truck take-away facility or the interconnection with the Four Bears pipeline. Saddle Butte is not aware of any person who would request an interconnection with the Saddle Butte pipeline. Lastly, there is no opposition from any third party to the waiver request.

5. The Commission concludes that, given the physical characteristics of the facilities and the limited nature of the pipeline operations, Saddle Butte meets the criteria necessary to qualify for a temporary waiver consistent with the Commission's rulings in *Sinclair*, *Hunt*, *Ciniza*, *Enbridge*, and *Jayhawk*.

6. Accordingly, the Commission grants Saddle Butte a temporary waiver of the filing and reporting requirements of ICA sections 6 and 20 relating to the pipeline operations described above. The Commission also directs Saddle Butte to immediately report to the Commission any change in the circumstances on which these waivers are based. Specifically, Saddle Butte 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, Saddle Butte must maintain all books and records in a manner consistent with the Uniform System of

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 *Jayhawk Pipeline, L.L.C.*, 128 FERC ¶ 61,079 (2009) (*Jayhawk*).

Accounts for Oil Pipelines, 18 C.F.R. Part 352 (2011), and make such books and records available to the Commission or its duly authorized agents upon request.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.