

155 FERC ¶ 61,051
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

April 21, 2016

In Reply Refer To:
Colonial Pipeline Company
Docket No. OR14-17-001

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Dear Counsel:

1. On February 19, 2016, Colonial Pipeline Company (Colonial) and American Airlines, Inc. (American Airlines) collectively (the Parties),¹ filed pursuant to Rule 602² to extend and amend the 2013 Settlement Agreement. The 2013 Settlement Agreement expired on December 31, 2015. Therefore, the Parties request approval of the instant extension and amendment to the 2013 Settlement Agreement entered into by the Parties on February 18, 2016 (2016 Settlement Extension) by April 30, 2016.

¹ On March 12, 2014, the Commission issued an order in Docket No. OR14-17-000 (*US Airways, Inc. v. Colonial Pipeline Co.*, 146 FERC ¶ 61,173 (2014)) approving a settlement agreement entered into on December 13, 2013 between Colonial and US Airways, Inc. (2013 Settlement Agreement). On December 28, 2015, US Airways, Inc. merged with and into American Airlines. References to American Airlines herein include the rights and interests of US Airways, Inc.

² 18 C.F.R. § 385.602 (2015).

2. Notice of the settlement extension and amendment was issued February 24, 2016, with interventions or protests due March 10, 2016; no adverse comments or protests were filed.

3. The Parties state the 2016 Settlement Extension supersedes the 2013 Settlement Agreement and represents an efficient means of continuing the resolution of the controversies between the Parties for an additional term from January 1, 2016 through December 31, 2018. The primary features of the 2016 Settlement Extension are (1) resolution of the issues identified by the Parties in Appendix A to the 2016 Settlement Extension, (2) stipulation as to a payment to be made by American Airlines in Appendix A to the 2016 Settlement Extension, (3) continuation of certain volume incentive programs in Colonial's FERC tariffs and adoption of a future volume incentive program for certain movements to Woodbury, New Jersey, (4) stipulation as to Colonial's future indexed rate increases and market-based rate increases to specific destinations, (5) American Airlines' agreement not to challenge Colonial's rates and practices, except under specific circumstances and procedures, and (6) certain other provisions regarding nonjurisdictional services and commercial opportunities.

4. The Commission finds that the 2016 Settlement Extension appears to be fair, reasonable, and in the public interest, and it is hereby approved without modification. The Commission's approval of the 2016 Settlement Extension does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.

By direction of the Commission.

Kimberly D. Bose,
Secretary.