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August 20, 2008

Via Electronic Filing

Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

**Re: *ExxonMobil Oil Corporation and BP West Coast Products LLC v. SFPP, L.P.*,
Docket No. OR08-_____**

Dear Madam Secretary:

In accordance with the requirements of the Interstate Commerce Act (“ICA”), the Rules and Regulations of the Federal Energy Regulatory Commission (“FERC” or “Commission”), and the Commission’s Orders in Docket No. OR07-20-000, *BP West Coast Products v. SFPP, L.P.*, 121 FERC ¶ 61,243, at ¶¶ 8-11 (2007), *reh’g denied*, 123 FERC ¶ 61,121, at ¶¶ 6-10 (2008), ExxonMobil Oil Corporation and BP West Coast Products LLC (“Indicated Shippers”) hereby tender for filing with the Commission their Complaint against the 2008 index rate increase of SFPP, L.P. (“SFPP”).

The Commission recently held that a shipper who seeks to challenge all facets of an index rate increase must file multiple individual complaints, in addition to the protest. As the Commission put it:

In any event, the relief is to file multiple complaints against the index increase and the cumulative increases as BP West Coast itself suggests. This may be repetitive, but it is intrinsic to the indexing procedure and enables the challenges that BP West Coast claims it cannot make.

BP West Coast Products LLC v. SFPP, L.P., 123 FERC ¶ 61,121, at ¶ 6 (2008).

A general complaint against all of SFPP’s rates is now required by the Commission to be filed each year, along with a protest and a separate complaint against the current year index increase, and a complaint seeking data to provide additional support for the allegation of “reasonable grounds to believe,” if necessary. This filing is the separate complaint against the current year index increase.

Indicated Shippers filed a general Complaint on August 8, 2008, in Docket No. OR08-13-000. The general Complaint encompasses all index rate increases prior to the date of the Complaint as well as the currently effective rates, plus a two-year retroactive period for reparations. The index rate Complaint challenges the 2008 index rate increase itself, as embedded in the currently effective rates.

Thus, pursuant to Commission direction, this index rate Complaint challenges all of the currently effective rates of SFPP, including the rates in the two most recently filed tariffs affecting the West and East lines. This Complaint thus encompasses all of SFPP's rates in effect on the date of this Complaint, including those in SFPP's June 30, 2008 tariff filings in Docket No. IS08-389-000 tendering FERC Tariff No. 173 (canceling FERC Tariff No. 162) (East Line), and Docket No. IS08-390-000 tendering FERC Tariff Nos. 171 and 172 (canceling FERC Tariff Nos. 167 and 166 respectively) (West Line), as supplemented by the suspension tariff filings in Docket Nos. IS08-389-002 and IS08-390-003, both submitted on August 14, 2008, as well as SFPP's currently effective rates for service on its North, Oregon, Sepulveda, and Watson lines as reflected on its FERC Tariff Nos. 168, 169, 165, 166 and 167, respectively. While SFPP has not yet moved to increase its East Line rates by the 2008 index rate, it may do so.

The instant filing, mandated by the Commission, challenges the same rates in the same dockets as does the general Complaint. Under the Commission's regulations, upon the allegation by a complainant of a reasonable ground to believe that the index rate increase is so substantially in excess of actual cost increases that the resulting rate is not just and reasonable, the case turns into a regular Section 15 rate case where SFPP would have the burden to prove that its current rate, with the index amount embedded in it, is just and reasonable.

As to the West Line, that very same issue is presented in (a) SFPP's rate case filing in Docket No. IS08-390-000; (b) Indicated Shippers' general Complaint in Docket No. OR08-13-000; and (c) in Indicated Shippers' index rate Complaint herein. There is no point in holding three separate hearings to determine the same issue: whether the West Line rates in effect in August 2008 are just and reasonable.

As to the East Line, both the general Complaint and the index rate Complaint can be consolidated with the 2008 rate decrease proceeding in Docket No. IS08-389-000.

As to the North and Oregon lines, both the general complaint and the index complaint may be held in abeyance, since there is no 2008 tariff filing by SFPP (yet) that would operate to make those rates "locked in."

The relief in the index rate complaint focuses on whether the pipeline can keep the index rate increase which, in this case, Indicated Shippers challenge on both factual and legal grounds. The Commission has the option of ruling on the legal grounds upon first consideration of the index complaint, and it is possible that the Commission will decide that SFPP is not entitled to an index rate increase in 2008 without the necessity of a hearing.

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It is the desire of Indicated Shippers to sever and to consolidate all of the cases that the Commission has ordered shippers to file with currently ongoing cases so that there will be no need for any additional hearings whatsoever.

A Motion to Sever and to Consolidate will be filed shortly.

Kindly acknowledge receipt of this filing. Thank you for your assistance in this matter.

Sincerely,

/s/ R. Gordon Gooch

R. Gordon Gooch

Enclosures

cc: Charles Caldwell, Counsel for SFPP
Thomas Bannigan
Peter Dito

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

)	
ExxonMobil Oil Corporation, and)	
BP West Coast Products LLC)	
Complainants,)	
)	
v.)	Docket No. OR08-_____
)	
SFPP, L.P.,)	
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Respondent.)	

**ORIGINAL COMPLAINT
OF
EXXONMOBIL OIL CORPORATION
AND BP WEST COAST PRODUCTS LLC
CHALLENGING SFPP, L.P.'S 2008 INDEX RATE INCREASES**

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**Counsel for ExxonMobil Oil Corporation and
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August 20, 2008

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**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

ExxonMobil Oil Corporation, and)	
BP West Coast Products LLC)	
Complainants,)	
)	
v.)	Docket No. OR08-_____
)	
SFPP, L.P.,)	
)	
Respondent.)	

**ORIGINAL COMPLAINT OF
EXXONMOBIL OIL CORPORATION AND
BP WEST COAST PRODUCTS LLC
CHALLENGING SFPP, L.P.'S 2008 INDEX RATE INCREASES**

Pursuant to Rule 206 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission” or “FERC”), 18 C.F.R. § 385.206, Section 343.2 of the Procedural Rules Applicable to Oil Pipeline Proceedings, 18 C.F.R. § 385.343.2, Sections 1(5), 8, 9, 13, 15, and 16 of the Interstate Commerce Act, 49 U.S.C. App. §§ 1(5), 8, 9, 13, 15, and 16 (1988) (“ICA”), and Section 1803 of the Energy Policy Act of 1992 (“EPA Act”), BP West Coast Products LLC and ExxonMobil Oil Corporation (together, “Indicated Shippers” or “Complainants”) hereby file this Original Complaint against SFPP, L.P. (“SFPP”) challenging the justness and reasonableness of SFPP’s index rate increases placed into effect by SFPP’s 2008 index rate tariff filing in Docket No. IS08-302-000, tendering FERC Tariff Nos. 165, 166, 167, 168, 169, and 170 (superseding FERC Tariff Nos. 155, 164, 163, 159, 160 and 161 respectively). Subsequently, on June 30, 2008, SFPP filed new West Line tariffs in Docket No. IS08-390-000, FERC Tariff Nos. 171 and 172 (canceling FERC Tariff Nos. 167 and 166 respectively), as

supplemented by Supplement No. 1 to FERC Tariff No. 171 and Supplement No. 1 to FERC Tariff No. 172, both filed on August 14, 2008 in Docket No. IS08-390-003, which also reflect the effect of the 2008 index rate increase. Also on June 30, 2008, SFPP filed a new East Line tariff in Docket No. IS08-389-000, FERC Tariff No. 173 (canceling FERC Tariff No. 162), as supplemented by Supplement No. 1 to FERC Tariff No. 173, filed in Docket No. IS08-389-002 on August 14, 2008.

This complaint challenges all tariffs currently in effect that reflect SFPP's 2008 index rate increase, directly or indirectly, with respect to SFPP's 2008 index rate increase increment. We recognize that SFPP has not yet filed an index increase for the East Line, and it is not known whether SFPP will do so nor when. In support hereof, Complainants state as follows:

I.

COMMUNICATIONS AND CORRESPONDENCE

Communications and correspondence regarding this Complaint should be directed to the following persons:

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II.

PARTIES

Complainants are shippers of refined petroleum products on SFPP's common carrier pipeline system.

SFPP is an oil pipeline engaged in the transportation of oil in interstate commerce regulated as a "common carrier" by the Commission under the Interstate Commerce Act ("ICA").

III.

BACKGROUND AND SUMMARY OF COMPLAINT

Preface: in order to comply with the Commission's requirement of "repetitive" but separate filings, as further discussed below, the following "Background and Summary of Complaint" is substantially the same in the companion General Complaint filed on August 8, 2008 in Docket No. OR08-13-000, differing only in the description of each distinct complaint, as required.

The Commission's regulations allow oil pipelines to file for an annual rate increase up to (or down to) a percentage promulgated by the Commission each year. 18 C.F.R. § 342.3. All that is required is an allegation by the pipeline, reflected in the Page 700 of the pipeline's Annual FERC Form 6 Report, that there have been "actual" cost of service increases between the current year and the prior year, after any revisions to the prior year's claimed cost of service.

Pursuant to the Commission's regulations, 18 C.F.R. § 343.2(c)(1), shippers may challenge the index rate increase on one or both of two grounds. The first, not applicable here and thus not discussed, is that the pipeline's rate increase exceeds the allowed percentage. The second, here material, is that the index-based rate increase is so substantially in excess of the actual cost increase that the resulting rate would not be just and reasonable. Under

Section 343.2(c)(1) of the Commission’s regulations, as affirmed by the U.S. Court of Appeals for the D.C. Circuit, *Association of Oil Pipe Lines v. FERC*, 83 F.3d 1424 (D.C. Cir. 1996), the only burden on shippers is to allege reasonable grounds to assert that the rate increase within the ceiling of the annual percentage is substantially in excess of the actual cost increase, *i.e.*, that the rate is unjust and unreasonable. 18 C.F.R. § 343.2(c)(1). If the shippers make the requisite pleading, then the burden falls upon the pipeline to prove that the rate then in effect, with the index increase embedded in it, is “just and reasonable,” just as in any other ICA Section 15 rate case.

The Commission recently held that a shipper who seeks to challenge all facets of an index rate increase must file multiple individual complaints, in addition to the protest. As the Commission put it:

In any event, the relief is to file multiple complaints against the index increase and the cumulative increases as BP West Coast itself suggests. This may be repetitive, but it is intrinsic to the indexing procedure and enables the challenges that BP West Coast claims it cannot make.

BP West Coast Products LLC v. SFPP, L.P., 123 FERC ¶ 61,121, at ¶ 10 (2008) (“May 5 Order”).

The alternative would be to accept a permanent rate increase that would apply both prospectively, raising current rates, and retroactively, elevating past rates above the “just and reasonable” level, the latter if shippers were successful in complaint cases.

The four separate pleadings in four separate dockets to be filed each year are as follows:

1. A Protest Against The Index Rate Increase.

Commission decisions, as we comprehend them, indicate that the protest is factually limited to a comparison of the difference in the total cost of service claimed on Page 700 of the

Form 6 (annual cost of service) for the current year less the claimed cost of service for the preceding year, which may be adjusted retroactively, and the Form 6 must be taken “as is.”

As stated by the Commission on rehearing:

[T]he place to begin is 18 C.F.R. §343.2(c)(1) which provides in part:

A protest or complaint filed against a rate proposed or established under § 342.3 [indexing] of the chapter must allege reasonable grounds for asserting that ... the rate increase is so substantially in excess of the actual cost increases incurred by the carrier that the rate is unjust and unreasonable...¹

The Commission construes this language as comparing the results of the rate increase to cost increases that are actually incurred by the carrier. This is because application of the index results in a rate increase that increases revenues either on a percentage basis or a dollar basis. As the December 14 Order explained, the Commission only applies a percentage test when reviewing a protest and normally applies that test for complaints. The Commission uses a dollar comparison only under the limited circumstances as discussed in the November 9 Orders, and the December 14 Order as well.

May 5 Order, 123 FERC ¶ 61,121, at ¶ 6 (footnote omitted).¹

If the protest is accepted by the Commission, then the case is referred first to a settlement Judge and concurrently set for hearing, in which the pipeline must prove that the rate currently being collected, with the index increase embedded in it, is “just and reasonable.” *ExxonMobil Oil Corporation v. SFPP, L.P.*, 122 FERC ¶ 61,129 (Feb. 13, 2008); cf. *BP West Coast Products, LLC v. SFPP, L.P.*, 119 FERC ¶ 61,241 (2007). If the pipeline fails, then the index increase is rolled back with refunds and interest to all shippers.

¹ The orders referred to in the cited text are *BP West Coast Products, LLC v. SFPP, L.P.*, 121 FERC ¶ 61,141 (2007) and *Tesoro Refining and Marketing Company v. Calnev Pipe Line, L.L.C.*, 121 FERC ¶ 61,142 (2007) (“November 9 Orders”) and *BP West Coast Products LLC v. SFPP, L.P.*, 121 FERC ¶ 61,243 (2007) (“December 14 Order”).

However, the Commission has discretion to decline to investigate the rate, even if shippers meet their burden of alleging “reasonable grounds to believe” that the resulting rate is not just and reasonable. *ExxonMobil Oil Corporation v. FERC*, Case Nos. 05-1471 and 05-1472, Unpublished Slip Op., 2007 WL 754800 (D.C. Cir. Feb. 27, 2007).

Indicated Shippers filed the protest required under item 1 above on June 16, 2008. The Commission issued its order accepting SFPP’s 2008 index rates on June 30, 2008, making no mention of Indicated Shippers’ protest nor addressing the arguments presented for consideration.² Indicated Shippers requested rehearing on July 30, 2008, respectfully suggesting that the Indicated Shippers had the right under the due process clause and the clause protecting the right to petition the government for redress of grievances under the Constitution, and the right under the statute and regulations, to be heard on the protest.

2. A Specific Complaint Against The Index Rate Increase.

Commission decisions, as we comprehend them, indicate that a complaint against an index rate increase also only has the burden of alleging “reasonable grounds.” The fact issues that can be raised are also limited:

The first [type of complaint against an index rate increase] is whether there are reasonable grounds to conclude that an index-based increase taken in a single year results in rates that are unjust and unreasonable. This is a narrow test that is based on a comparison of Page 700 of the relevant years, with very narrow exceptions. One of these exceptions includes a review of the percentage or dollar increase in the return under restrictive circumstances. The only technical issue here is whether the pipeline properly performed the requisite calculations using its existing cost-of-service methodology and its accounts. This is consistent with the simplified cost recovery purpose of the Commission’s indexing methodology and regulations.

December 14 Order, 121 FERC ¶ 61,243, at ¶ 8 (footnote omitted).

² *SFPP, L.P.*, 123 FERC ¶ 61,317 (June 30, 2008).

The referenced “narrow exception” is:

The complaint asserts that SFPP’s 2006 FERC Form No. 6 demonstrates that SFPP is already over-recovering its cost-of-service and under a Commission order dated June 6, 2007, this provides reasonable grounds to conclude that the resulting rates are unjust and unreasonable. In reply, SFPP asserts that the June 6 Order is inconsistent with the Commission’s regulations, but the Commission need not reach that point. On November 9, 2007, the Commission issued related orders limiting the scope of the June 6 Order to cases where: (1) the pipeline is substantially over-recovering its costs, and (2) the index-based increase would substantially exacerbate that increase due to the difference between the dollar amount of the pipeline’s actual cost increases and the additional revenue that would be generated by the indexed-based increases. SFPP states that its cost-of-service increased by 15.3 percent and the index only allowed a 4.3186 percent increase in revenue. SFPP’s claims are accurate and therefore the complaint fails the modified test announced in the cited October [sic] 2007 SFPP and Calnev Orders.

December 14 Order, 121 FERC ¶ 61,243, at ¶ 4 (footnotes omitted).

On rehearing the Commission added:

Finally, BP West Coast asserts that the Commission erred in failing to apply the standard that permits a complaint to lie if (1) the pipeline is substantially over-recovering its costs and (2) the index-based increase would further exacerbate that over-recovery. It asserts that SFPP was over-recovering its 2006 cost-of-service by \$15,585,398 at the end of 2006 and that the increased revenues from the July 1, 2007 index-based increase as applied to SFPP’s December 31, 2006 revenues would increase this over-recovery by \$6,010,323. It concludes that this meets the standard. As already explained, this argument is incorrect. The index methodology works by comparing, in this case, 2005 year end costs (and over-recoveries) to 2006 year end costs (and over-recoveries). Thus, as the second example in BP West Coast’s affidavits shows, the over-recovery it posits as of December 31, 2005 was some \$29,499,586. This over-recovery was reduced by the cost increases of \$16,403,222 and increased by any revenue growth, in this case \$2,489,034, for an over-recovery at the end of 2006 of \$15,585,398. The projected increase in the over-recovery during the effective period of the next increase is \$6,010,323. The resulting projected over-recovery for the full year 2007 is \$21,595,721, which is less than the \$29,449,586 for the calendar

year 2005. Thus, the Commission correctly dismissed the instant complaint.

May 5 Order, 123 FERC ¶ 61,121, at ¶ 11 (footnote omitted).³

While the Commission has discretion to decline to investigate rates as requested in a protest, no such discretion exists when a complaint is filed. A complaint must be considered on its merits. So, as in the case of accepted protests, the complaint case is referred first to a settlement judge and concurrently set for hearing, in which the pipeline must prove that the rate currently being collected, with the index increase embedded in it, is “just and reasonable.” If the pipeline fails, then the index increase is rolled back, with refunds and interest.

3. A Specific Complaint Seeking A Staff Audit In Order To Look Behind The Summary Numbers That The Pipeline Files In Page 700.

As stated by the Commission:

The second type of proceeding is a complaint that provides reasonable grounds to conclude that the pipeline did not properly apply its existing cost-of-service methodology to develop the underlying cost inputs used to develop the Page 700 in its annual FERC Form No. 6, or the inputs were improperly entered into its accounts or the calculation. These are mechanical costing and accounting matters that are normally handled as part of the Commission’s ongoing audit procedures unless a complainant shows credible grounds to believe that a significant problem is involved. The Commission notes that pipelines submit their FERC Form No. 6 under oath and exposes the pipeline and its employees to civil and criminal sanctions if there are purposeful errors in either regard.

December 14 Order, 121 FERC ¶ 61,243, at ¶ 9 (footnote omitted).

On rehearing the Commission stated:

The remaining assertions are equally off the mark. BP West Coast asserts that the Commission accepts the index calculations

³ To illustrate this point, in Docket No. IS05-327-000 involving SFPP’s 2005 index rate increase, the Commission granted SFPP an index rate increase of approximately \$4,500,000 to cover a claimed cost increase of less than \$500,000, at a time when SFPP was reporting excess profits of \$16,980,012 in 2004. *SFPP, L.P.*, 111 FERC ¶ 61,510, *order on reh’g*, 113 FERC ¶ 61,253, at ¶¶ 10, 17 (2005).

provided by the pipeline without an opportunity for challenge by shippers. However the December 14 Order expressly stated that parties with standing could file complaints asserting that the calculations were performed incorrectly using the pipeline's existing cost of service factors and, by extension, its accounting procedures. The December 14 Order also stated that the Commission would normally conduct an audit if it has any concern that the mechanical annual determination of the pipeline costs, including annual adjustments to such factors as the cost of capital. BP West Coast asserts that all the underlying work papers are in the control of the pipeline. This is true, but many of the important source numbers are reflected in the detailed numbers in the pipeline's FERC Form No. 6. The second point in this regard is that any complaint must clearly state its purposes and reasons.

May 5 Order, 123 FERC ¶ 61,121, at ¶ 9.

Indicated Shippers respectfully suggest that it is impossible for shippers to know whether SFPP's "calculations were performed incorrectly using the pipeline's existing cost of service and, by extension, its accounting procedures" without access to the underlying workpapers that are in control of the pipeline and available only to the Commission. The Commission acknowledges that shippers are not allowed to see the underlying workpapers. Thus, shippers do not have access to the on-the-shelf documents that could demonstrate additional "reasonable grounds to believe" that the resulting rates are not just and reasonable.

However, the Commission went on to say that "many of the important source numbers are reflected in the detailed numbers in the pipeline's FERC Form No. 6." May 5 Order, 123 FERC ¶ 61,121, at ¶ 9. Until this holding was made, Indicated Shippers were of the view that challenges were limited to data shown on Page 700, and, underlying that, the workpapers of the Page 700, if shippers could get access. There is, of course, a substantial difference between the financial accounting under the Uniform System of Accounts and the FERC accounting for ratemaking purposes, the differences being a main reason why the Commission revised its regulations in 1994 to require Page 700, the "Annual Cost of Service Based Analysis Schedule."

Order No. 571, [Regs. Preambles 1991-1996] FERC Stats. & Regs. ¶ 31,006, at 31,169 (1994) (subsequent history omitted). In the case of SFPP's 2008 index rate increase, it turns out that the necessary data to confirm the "reasonable grounds to believe" alleged by Indicated Shippers, confirming what is shown on the face of Page 700, is found in the FERC Form 6, as further elucidated in the complaint herein against the index rate increase. Therefore, it does not appear necessary for Indicated Shippers to file an "Audit" complaint this year. If Indicated Shippers are mistaken in this view, then an Audit Complaint may be filed.

4. A General Complaint Against All Current Rates Which Would Include All Of The Increments Of Indexed Rates Up Until The Time Of The Complaint.

As stated by the Commission:

The third [type of] proceeding is a complaint against the level of the base rate, which in this context can mean two different things, which are not mutually exclusive. One is that the cumulative increases from the index-based increases over the years now exceed the cumulative increases in the pipeline's actual costs to the point that the resulting rates are unjust and unreasonable. The second is that the cost components embedded in the pipeline's cost-of-service are improperly defined or no longer accurately measure the pipeline's costs. These can include the specifics of income tax allowances, return, rate base, operating and maintenance expenses, capital structure, and overhead costs, which are the type of factors listed in the complaint. A complainant must pursue these issues in a complaint against the base rates and not one that attempts to conflate this more complicated proceeding with the more simplified procedures and limited reliefs [sic] involved in the two previous examples.

December 14 Order, 121 FERC ¶ 61,243, at ¶ 10 (footnote omitted).

Once the Commission has determined the just and reasonable rates that can be legally and lawfully charged, SFPP will try to induce the Commission to raise the "just and reasonable" rates up again automatically by "indexing forward," but Indicated Shippers will object. This is a complaint case, and Indicated Shippers assert that there is no statutory basis for a pipeline to

obtain a rate increase above the just and reasonable level in a complaint case. Any rate increase would have to be applied for separately, subject to challenge by shippers.

The Commission has addressed this subject:

BP West Coast also asserts that the Commission permits pipelines to make permanent index-based increases without any possibility of review. While not an issue in this case, the essence of this charge is that if a rate is set in response to a complaint, it is then indexed forward and some of these index-increases may be beyond review by the time a final rate is in effect. The short answer is that BP West Coast has no standing to raise the issue here because it has not complained against the base rate and as such has suffered no injury relevant to its complaint.

May 5 Order, 123 FERC ¶ 61,121, at ¶ 10.

This issue is raised in Docket No. OR08-13-000, the general complaint filed by Indicated Shippers on August 8, 2008. The Commission should thereupon proceed to set the matter for hearing and determine whether all the rates then currently being collected, including the “base rate,” any pending rate increase cases, and all index rate increases, are “just and reasonable.” If not, then the rates will be rolled back to just and reasonable levels, with reparations going back two years from date of complaint for all complainants. (Any indexing forward of the “just and reasonable” rate will be contested.)

The instant Complaint fulfills item 2 above -- a complaint against only the index rate increase itself, as it is reflected in all currently effective tariffs, here listed again for purposes of absolute clarity: FERC Tariff Nos. 165, 166, 167, 168, 169, and 170 (superseding FERC Tariff Nos. 155, 164, 163, 159, 160 and 161 respectively), and FERC Tariff Nos. 171 and 172 (canceling FERC Tariff Nos. 167 and 166) (West Line tariff, Docket No. IS08-390-000), as supplemented by Supplement No. 1 to FERC Tariff No. 171 and Supplement No. 1 to FERC Tariff No. 172, both filed August 14, 2008; and FERC Tariff No. 173 (canceling FERC Tariff

No. 162) (East Line tariff, Docket No. IS08-389-000), as supplemented by Supplement No. 1 to FERC Tariff No. 173, filed August 14, 2008. It should be noted that SFPP has not yet filed for an index rate increase on the East Line, and it is not known whether SFPP will do so nor when.

Therefore, Complainants file this Complaint in accordance with the Commission's special index regulations which provide in pertinent part as follows:

A . . . complaint filed against a rate . . . established pursuant to Section 342.3 of this chapter must allege reasonable grounds for asserting that the rate . . . increase is so substantially in excess of the actual cost increases incurred by the carrier that the rate is unjust and unreasonable

18 C.F.R. § 343.2(c)(1).

As set forth below, the "increase" in the cost of service this year was driven by a massive increase in rate base from new investment, not from inflationary pressures. Thus, once the costs associated with new investment are stripped out, as substantial amounts can be on the face of Page 700 alone, the current year's cost of service is less than the last year's cost of service.

In this pleading three legal issues are raised:

(1) Whether massive new investment can be taken into consideration when calculating inflation-based pressures on a cost of service. (In the alternative, if the Commission decides that voluntary capital expenditures are inflation-based, then SFPP has booked the increase in rate base to the wrong year, and, as a result, the cost of service has gone down between 2006 and 2007);

(2) That it would be unlawful to allow SFPP to collect the same costs twice, once using the index and again using standard rate case filings; and

(3) Independently and finally, that it would be unlawful for the Commission to authorize a rate increase on the West, North, and Oregon Lines because of costs that are

associated with the East Line, a completely separate line; these costs provide nothing that is used and useful to the shippers on the other lines.

Accordingly, this Complaint challenges SFPP's eligibility to file for an index rate increase on legal grounds and, if necessary, challenges as "unjust and unreasonable" SFPP's currently effective rates after the index rate increases became effective on July 1, 2008, with the result that SFPP must now bear the burden of proving that all currently effective rates, with respect to the index increase embedded in them, are "just and reasonable." Failure to do so by SFPP will result in the roll back of the 2008 index rate increase with refunds or reparations to shippers.

IV.

COMPLAINT

A. There Are Reasonable Grounds To Assert That SFPP's Resulting Rates Are Unjust And Unreasonable.

There are reasonable grounds to assert that SFPP's 2008 incremental index rate increases that became effective July 1, 2008 in Docket No. IS08-302-000, are substantially in excess of SFPP's actual cost increases, so as to make the resulting rates unjust and unreasonable. SFPP now bears the burden of establishing that all its currently effective rates, with the 2008 index increase embedded in them, are "just and reasonable" under ICA Section 15. Complainants allege reasonable grounds as discussed below to assert that the resulting rates are unjust and unreasonable.

Indicated Shippers wish to make crystal clear the following point, also made in Indicated Shippers' protest, so that there will be perfect communication. Indicated Shippers do not, in any way, challenge the index methodology adopted by the Commission well over a decade ago. When an oil pipeline is charging its customers "just and reasonable" rates (meaning that the

revenues do not exceed the cost of service), and that pipeline has an actual cost of service increase up to or exceeding the percentage increase allowed by the Commission, and the resulting rates are still just and reasonable, Indicated Shippers do not raise any challenges. We agree that increases in the cost of service—even in rate base for the routine replacement of facilities due to fair wear and tear—support an annual rate increase, subject to challenge (as a matter of statutory right). But if the pipeline is not recovering its cost of service, even with the index rate increase, there is no reason to challenge the index rate increase. Indeed, it is of utmost interest to shippers that pipelines be economically healthy, but lawfully so. Once SFPP's rates are made "just and reasonable" by the Commission (*i.e.*, SFPP's rates are no longer unlawful), then there will be no incentive for Indicated Shippers to challenge any annual index rate increase within the parameters of the "just and reasonable" rate based on the cost of service.

The problem comes, first, when the oil pipeline is already collecting an unjust and unreasonable rate. A rate increase when there are perhaps millions of dollars in excess profits already collected that continue to be collected is difficult to accept. In the case of SFPP, in a mere decade it has collected excess profits of over \$239,000,000 by its own admission in the Page 700s of its Form 6, enjoying each year an annual index increase, such an increase even wiping out in a matter of months one of the interim West Line rate reductions ordered by the Commission in Docket Nos. OR96-2. The following table demonstrates this by showing chronologically the West Line tariff numbers and the rates filed for by SFPP:

<u>Tariff Number</u>	<u>Effective Date</u>	<u>Rate</u>	<u>Type of Filing</u>
113	07/01/05	141.89	Index Filing
120	05/01/06	97.33	Interim Rate Filing
126	07/01/06	103.31	Index Filing
152	04/05/07	103.31	
158	7/1/2007	107.77	Index Filing
163	3/1/2008	102.16	Interim Rate Filing
167	7/1/2008	107.44	Index Filing

As is seen, the first interim rate reduction ordered by the Commission reduced the rate from \$1.4189 to \$.9733, subject to further reduction. Within two years the rate was up by 10 cents through indexing, to \$1.0777. Then the Commission ordered another interim rate reduction, so the rate went to \$1.0216 in March, 2008, and then, after three months, as of July, 2008, it is back to \$1.0744 with indexing.

The second problem, here presented for the first time insofar as our research has revealed, is whether a massive capacity expansion, increasing rate base by some 70%, is or is not eligible for inclusion in the annual cost of service increase calculation. The rationale for allowing capital costs to be included appears to be that inclusion will obviate the need for a regular rate case to recover the costs. However, SFPP has already filed two rate cases to recover the massive capital costs, Docket Nos. IS06-283 (East Line Phase I) and IS08-28 (East Line Phase II), and thus the rationale cannot and does not apply in this index case.

This issue was anticipated by the Commission in Order No. 561-A, and, we think, answered:

The role of an index is to accommodate normal cost changes. Its purpose is not to guarantee recovery of all costs at any time and in full, regardless of other considerations. Even competitive markets do not do this.

.....

The choice of PPI-1 is intended to permit pipelines to recover normal costs through operation of the index. Extraordinary costs can be recovered through either of the alternate rate change means—cost of service or settlement rates—as provided in the final rule. In both cases, the pipeline will have an opportunity to recover its costs.

In the Commission's judgment, PPI-1 adequately tracks normal industry average costs. It does not track extraordinary costs.

Order No. 561-A, [Regs. Preambles, 1991-1996] FERC Stats. & Regs. ¶ 31,000, at 31,097 (1994) (footnote omitted).

So we present to the Commission all of the facets in this case, starting with respectfully asking the Commission to decide whether a 70% increase in rate base, with all of the attendant calculations, does or does not qualify for inclusion in the annual cost of service calculation for an index rate increase.

Indicated Shippers are prepared to, and in this pleading do, allege reasonable grounds to believe that the rate increases are so far in excess of the actual cost increases that the resulting rate would not be just and reasonable, either way the Commission decides.

1. **If A Massive Increase In Rate Base Due To Expanded Capacity Is Not Eligible For Inclusion In The Cost Of Service For Purposes Of An Index Rate Increase, Then, Stripping The Discernable Incremental Cost Increases From Page 700, As Is, Demonstrates Reasonable Grounds To Believe That The Cost Of Service Went Down, Not Up, And Therefore An Index Rate Increase Cannot Stand Without A Showing By The Pipeline That The Current Rate, With The Index Increase Embedded In It, Is Just And Reasonable.**

SFPP's claimed total cost of service cost increase between 2006 and 2007 is more than completely caused by a substantial increase in rate base. SFPP 2007 FERC Form 6 Page 700, line 5, attached herein as Attachment A. A substantial increase in rate base has nothing to do with *inflation* that would operate to increase operating, maintenance, administrative costs, and even depreciation, return, and taxes. An increase in rate base reflects a conscious decision of management to add facilities with the hope and expectation of having a larger return on equity, or profit.

As the Supreme Court of the United States so perceptively held, the public utilities can manipulate their rate bases. *Verizon Communications, Inc. v. FCC*, 535 U.S. 467, 498-9 (2002) (describing the "prudent investment rule" as "being no match for the capacity of the utilities having all the relevant information to manipulate the rate base . . .").

It would be simply arbitrary and capricious to allow a pipeline to base an *inflation*-based indexed rate increase upon a massive increase in investment, or rate base. See 18 C.F.R. § 342.3(d) (index to be used by carrier is based on change in Producer Price Index); Order No. 561, [Regs. Preambles 1991-1996] FERC Stats. & Regs. ¶ 30,985, at 30,948 (1993), *order on reh'g*, Order No. 561-A, [Regs. Preambles, 1991-1996] FERC Stats. & Regs. ¶ 31,000 (1994), *aff'd*, *Association of Oil Pipe Lines v. FERC*, 83 F.3d 1424 (D.C. Cir. 1996) (under indexing, pipelines may adjust rates for inflation-driven cost changes).

As the Commission itself has acknowledged, shippers do not have access to the workpapers that underlie the Page 700 of the pipeline's FERC Form 6; *see, e.g., America West Airlines, Inc., et al., v. Calnev Pipe Line, L.L.C.*, 121 FERC ¶ 61,241, at ¶¶ 6, 14 (December 26, 2007). Accordingly, taking Page 700 "as is," we need only point out that the rate base increased by \$210,329,175, or some 71%. SFPP 2007 FERC Form 6, Page 700, line 5 (Attachment A).

Applying the claimed rate of return to that increase yields \$14,996,470 (*id.*, line 7). Add to that the increased depreciation claimed of \$5,341,113 (*id.*, line 2), and the total attributable to the "increase" on the face of Page 700 is \$20,337,583, even before getting to any related operation and maintenance costs, which are not apparent on the face of a Page 700.

The total increase in the cost of service claimed by SFPP is \$19,611,250, as shown on SFPP's 2007 FERC Form 6, Page 700, line 9 (*id.*). That is more than covered by the \$20,337,583 directly related to rate base and depreciation. The reasonable conclusion to be drawn is that with the change in rate base excluded, as it must be, the cost of service that can be attributed to inflation, however adjusted, *decreased* between 2006 and 2007. Therefore, SFPP must prove that the resulting rate will be just and reasonable, a doubtful possibility, considering that the Page 700 shows excess profits, even with the claimed increase in cost of service caused by increase in rate base. Accordingly, SFPP's allegation of a cost of service increase is in error and must be investigated in this complaint.

2. In The Alternative, If New Massive Capital Costs Can Be Claimed, Then "Reasonable Grounds" Remain: SFPP Booked The Increase In Rate Base To The Wrong Year. The Costs Were Incurred In 2006 For An Expansion That Went In To Service In The Middle Of 2006.

In the alternative, if the Commission decides that a voluntary massive increase in rate base counts as an inflation-induced cost increase, then there is another reasonable ground to assert that the rate base did not increase between 2006 and 2007, thereby destroying the premise

of SFPP's claimed rate increase. Now that the Commission has held that shippers can use other portions of Form 6 to impeach the Page 700 claims, thereby alleging "reasonable grounds to believe," we can show that SFPP's FERC Form 6 for 2007, at Page 109.1 (attached herein as Attachment B), plainly states that the first of two increases in capacity, both on the East Line, cost approximately \$210,000,000 and went into service in the middle of 2006. That sum is so close to the claimed 70% increase in rate base claimed by SFPP in 2007 as to support a reasonable ground to believe that the two refer to the same thing. Therefore, since SFPP is required to restate its 2006 cost of service in the 2007 FERC Form 6, Page 700,⁴ it follows that SFPP should have reported the \$210,329,175 increase in rate base in 2006. As a result, there would be no increase in rate base reflected in SFPP's Page 700. Without access to the underlying workpapers of the Page 700, but making such adjustments as may be estimated, we calculate that the cost of service went down between 2006 and 2007 by some \$4,250,736. SFPP is not eligible for an automatic index rate increase.

Anticipating SFPP's rejoinder, SFPP may then wish to restate its 2007 rate base as well, because its 2007 FERC Form 6, at Page 109.1 (Attachment B herein), states that SFPP invested another \$154,000,000 in 2007 on the East Line. Perhaps SFPP will wish to claim that the 2007 rate base should be increased by that amount, in order to show some increase in rate base between 2006 and 2007. However, the 2007 facilities did not go into service until December of 2007 and thus hardly qualify. If the Commission will include these facilities in the 2007 rate base for cost of service, then SFPP will show a cost of service increase in its Page 700, taken "as

⁴ See *BP West Coast Products LLC v. SFPP, L.P.*, 121 FERC ¶ 61,243, n. 10 (2007) ("SFPP corrected and refiled its FERC Form No. 6 where necessary to assure an accurate presentation of the accounts. Cf. *SFPP, L.P.*, 102 FERC ¶ 61,334 (2003).").

is.” That would then preclude an increase in rate base for use in claiming a 2009 index rate increase, if SFPP is otherwise eligible.

In sum, either way SFPP does not qualify for an automatic rate increase, one which not only increases current rates still further above just and reasonable, to unlawful, levels, but which supports an SFPP claim to erase rate reductions when shippers prevail in complaint cases, reducing the rates to just and reasonable levels, and then having the pipeline claim to increase the rate by subsequent annual index adjustments. By SFPP’s claims, a “just and reasonable” rate set based on a 1999 test year would be automatically escalated, with no challenge permitted, on a compounded basis for 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008 and on into the future. Indicated Shippers must protest the annual index rate increases both to avoid an increase in SFPP’s already unlawful rates and to avoid having the relief obtained in general complaints wiped out automatically by forward indexing.

B. SFPP’s 2008 Index Rate Increases Are Unlawful.

1. It Is Unlawful To Permit SFPP To Collect The Same Costs Twice, Once As A Result Of The Index Rate Increases And Again In Cost-Of-Service Rate Filings.

In the last two years, SFPP has filed two rate filings to recover the costs of expansions on its East Line. *SFPP, L.P.*, Docket No. IS06-283 (East Line Phase I); *SFPP, L.P.*, Docket No. IS08-28 (East Line Phase II). *See* SFPP’s 2007 FERC Form 6, Pages 123.4 and 123.5, attached herein as Attachment C. SFPP should not be permitted to use the increased rate base associated with its recent East Line expansions to justify an index rate increase for all of its other lines. SFPP’s filed rate cases are SFPP’s means of securing the necessary rate increases to cover the increase in rate base associated with those expansions on the East Line from the East Line shippers, the only shippers to benefit from these expansions. To permit SFPP to increase its rates

due to an increase in rate base through both the index methodology and the filing of rate cases to recover the increased costs constitutes a “double dip.” Accordingly, SFPP should not be permitted to use the increased rate base associated with its East Line expansions to justify its index rate increase as well, particularly since the East Line shippers are called upon to contribute nothing to the index rate increases on other lines, but only shippers on the other, entirely separate, pipeline systems are called upon to pay the index rate increases. Again, SFPP’s 2007 FERC Form 6, Page 109.1 (Attachment B), states that the two and only two expansions accomplished were both East Line.

2. It Is Unlawful For The Commission To Authorize A Rate Increase On The West, North, And Oregon Lines Based On Alleged Increases In Costs Associated With The East Line, A Completely Separate Line, Costs Providing No Benefit That Is Used And Useful To The Shippers On The Other Lines.

From the face of Page 700 alone it is not possible to allege reasonable grounds to believe that the increase in rate base, which drove the cost of service increase from negative to positive, can be attributed primarily or exclusively to the East Line expansions. In Section A.2. above, the correlation with East Line rate increase filings, two of them, due to East Line expansions, provides reasonable grounds to believe that the increase in rate base is due primarily or exclusively to the East Line expansions, as confirmed by Page 109.1 of SFPP’s 2007 FERC Form 6 (Attachment B). The fact that SFPP sought no increase in index rates for the East Line shippers provides still further reasonable grounds to believe that the increase in rate base is due primarily or exclusively to the East Line expansions.

But Indicated Shippers do not stop with these two reasonable grounds to believe. If shippers were allowed access to the off-the-shelf workpapers of the pipeline that underlies Page 700, the facts might well be objectively determined. The Commission has determined that,

to go behind the summary numbers on Page 700, shippers must file a separate complaint, asking for an audit. However, the Commission also said that data in the FERC Form 6 could be used.

Fortunately, in this case, Indicated Shippers do not need to file a complaint for an audit because data in the FERC Form 6 provides unquestionable support for two reasonable grounds to believe that the increase in rate base is due primarily or exclusively to the East Line expansions.

(1) SFPP's FERC Form 6 for 2007 contains the schedules for reporting Miles of Pipeline Operated during the year, at Pages 602 *et seq.* (attached herein as Attachment D). On Page 603, there is a column for "Change in miles operated during year, increase in trunklines for products." That column reports, under oath, that all of the expansion done during the year was on the East Line. This constitutes reasonable grounds to believe that the increase in rate base claimed by SFPP for 2007 is due to the East Line expansions.

If SFPP now wants to claim that the 2007 rate base increase was really a 2006 rate base increase, the situation does not materially change. In the corresponding changes in the Pages 602, *et seq.* in SFPP's 2006 FERC Form 6 (attached herein as Attachment E), the changes that can be clearly identified all relate to the East Line, with a smaller amount stated to be "California and Arizona." No inferences can be drawn from the latter, because the "California" could be all "intrastate" and the "Arizona" could be all East Line.

Thus, either way there are reasonable grounds to believe that SFPP is trying to charge shippers on the West, North, and Oregon Lines for capital costs of the East Line.

(2) In addition, Page 109.1 of SFPP's 2007 FERC Form 6 clearly states that the large investments in the years 2006 and 2007 were for the East Line: \$210,000,000 in 2006 and \$154,000,000 in 2007 (*see* Attachment B). This is a further and independent reason to allege

reasonable grounds to believe that SFPP is trying to charge an illegal rate to shippers on the West, North, and Oregon Lines.

It would be arbitrary and capricious decision-making to require shippers on separate and stand alone pipelines, *i.e.*, the West Line, North Line, and Oregon Line pipeline systems, to pay higher rates because SFPP increased the rate base in order to increase throughput on its East Line, as reflected in its FERC Form 6 and also reflected in its filings in Docket Nos. IS06-283 (East Line Phase I) and IS08-28 (East Line Phase II).

The Court of Appeals has held that shippers on separate and distinct lines cannot be compelled to pay any costs associated with another separate and distinct line. *Farmers Union Central Exchange, Inc. v. FERC*, 734 F.2d 1486, 1528-29 (D.C. Cir.), *cert. denied*, 469 U.S. 1034 (1984) (“*Farmers Union II*”); *see also* Opinion No. 435, 86 FERC ¶ 61,022, at 61,079-080 (1999) (subsequent history omitted); *Maryland People’s Counsel v. FERC*, 761 F.2d 768 (D.C. Cir. 1985) (“MPC I”); *Maryland People’s Counsel v. FERC*, 761 F.2d 780 (D.C. Cir. 1985) (“MPC II”).

As the U.S. Court of Appeals for the Fifth Circuit has stated,

The underlying basis for this approach dates back to the decision of the Supreme Court in *Smyth v. Ames*, 169 U.S. 466, 18 S.Ct. 418, 42 L.Ed. 819 (1898). In that case, the court held that the rates for rail service within one state could not be justified by revenues received from other interstate or intrastate service, since one class of customers should be neither burdened by the losses from other service nor benefited from non-jurisdictional profits. The principle set forth by *Smyth v. Ames* and subsequent cases is that, with respect to ratemaking, each jurisdiction or class of customers should pay its own way. *See, e.g., FPC v. United Gas Pipeline Co.*, 386 U.S. 237, 243, 87 S.Ct. 1003, 1007, 18 L.Ed.2d 18, 24 (1967); *Simpson v. Shepard*, 230 U.S. 352, 434-36, 33 S.Ct. 729, 754-755, 57 L.Ed. 1511, 1556 (1913).

El Paso Electric Co. v. FERC, 667 F.2d 462, 468 (5th Cir. 1982). Accordingly, because the large increase in rate base is associated with SFPP's East Line, such increase in rate base (a) cannot be charged to shippers on separate systems and (b) is not used and useful for and cannot be used to justify index-based rate increases on SFPP's other lines.

Therefore, the index rate increase must be rolled back, with refunds or reparations.

V.

COMPLAINT IN COMPLIANCE WITH RULE 206(b)

In accordance with the Commission's regulations, 18 C.F.R. § 385.206, the complainant must satisfy the following:

1. 18 C.F.R. § 385.206(b)(1), "a complaint must clearly identify the action or inaction which is alleged to violate application statutory standards or regulations."

SFPP is charging unjust and unreasonable rates, in violation of the ICA, made even more so as a result of SFPP's 2008 index rate increases effective July 1, 2008 in Docket No. IS08-302-000. SFPP cannot qualify for an index rate increase for 2008 without first carrying its burden of proof to show that it is eligible for an index rate increase and that the resulting rates, now in effect, are "just and reasonable." Failure to do so will result in the roll back of the 2008 index rate increase with refunds or reparations.

2. 18 C.F.R. § 385.206(b)(2), "explain how the action or inaction violates applicable statutory standards or regulatory requirements."

Shippers have alleged reasonable grounds to believe that (a) SFPP is not eligible for the index rate increase in 2008 on legal grounds and (b) on factual grounds the rate increase is substantially in excess of the actual (or, more accurately, the claimed) cost increase, so as to

render the resulting rates, now being collected, not “just and reasonable.” This is the applicable regulatory standard. The pipeline must now prove that it is eligible for an index rate increase and that its currently effective rates, with respect to the 2008 index increase embedded in them, are just and reasonable.

As for the statutory basis, the Interstate Commerce Act mandates that all rates be just and reasonable, a principle reaffirmed by the Energy Policy Act of 1992 and acknowledged by the Commission. SFPP’s current rates are not “just and reasonable.” The U.S. Court of Appeals held in *Farmers Union II* that “not even a little unlawfulness is permitted.” *Farmers Union Central Exchange v. FERC*, 734 F.2d at 1508. Here there is a whole lot of unlawfulness.

In addition, the fact that SFPP’s revenues exceed its cost of service, as manifest in Page 700 of SFPP’s 2007 FERC Form 6 (Attachment A herein), alone should suffice to meet the standards of Section 343.2(c) of the Commission’s regulations governing index rate increases, as once held by the Commission *BP West Coast Products LLC v. SFPP, L.P.*, 119 FERC ¶ 61,241 (June 6, 2007), but later modified on rehearing. *BP West Coast Products LLC v. SFPP, L.P.*, 121 FERC ¶ 61,141 (Nov. 9, 2007); *BP West Coast Products LLC v. SFPP, L.P.*, 121 FERC ¶ 61,243 (Dec. 14, 2007); *BP West Coast Products LLC v. SFPP, L.P.*, 123 FERC ¶ 61,121 (May 5, 2008). Because the Commission has held that such an issue cannot be raised in challenges to index rate increases in *SFPP, L.P.*, 123 FERC ¶ 61,317, at ¶ 6 (2008), in this case, on the tariff filing, Indicated Shippers do not include this issue above but raise it here in order to preserve the right to judicial review.

3. 18 C.F.R. § 385.206(b)(3), “set forth the business, commercial, economic or other issues presented by the action or inaction as such relate to or affect the complainant.”

The business, commercial, economic, or other issues presented by this action that affect Complainants is that Complainants are in the business of supplying the needs of the public, including both private and military consumers, for refined petroleum products, such as motor gasoline, jet fuel for civil and military aircraft, and diesel fuels for various modes of transportation. This pipeline has the only common carrier pipeline system which, either by itself or through interconnection with an affiliate, provides access to the interstate markets in Arizona, Nevada, and Oregon. There is no other viable substitute for the SFPP pipeline system.

It should suffice to show the relevant standards of aggrievement to say that Complainants wish to use a public utility to gain access to the interstate market. Access to the interstate market is regulated by FERC, whether the access facility is an electrified wire or a pipeline carrying oil or gas. The interstate shipper has the right to expect FERC to see that only just and reasonable rates are being charged. In the Commission’s own words:

The Commission concludes that the [Energy Policy] Act of 1992 does not deregulate oil pipeline rates and that the Commission must continue to ensure that oil pipeline rates are just and reasonable.

Order No. 561 at 30,945.

4. 18 C.F.R. § 385.206(b)(4), “make a good faith effort to quantify the financial impact or burden (if any) created for the complainant as a result of the action or inaction.”

With SFPP’s increased rates that went into effect on July 1, 2008, Complainants’ transportation costs on the West, North, and Oregon Lines increased by 5.1653%, those

additional costs being compounded and carried forward with each subsequent index rate increase. SFPP has not yet filed for an index rate increase on the East Line.

5. 18 C.F.R. § 385.206(b)(5), “indicate the practical, operational, or other nonfinancial impacts imposed as a result of the action or inaction, including, where applicable, the environmental, safety or reliability impacts of the action or inaction.”

Indicated Shippers will make no comment here.

6. 18 C.F.R. § 385.206(b)(6), “state whether the issues presented are pending in an existing Commission proceeding or a proceeding in any other forum in which the complainant is a party, and if so, provide an explanation why timely resolution cannot be achieved in that forum.”

This Complaint, as of the present time, is the only complaint that relates specifically to SFPP’s index rate increase effective July 1, 2008 in Docket No. IS08-302, and the FERC Form 6 costs of service applicable to that rate increase, as reflected in all currently effective tariffs. The same issues are pending on rehearing of a timely protest to the same index rate increase, a protest not heard by the Commission. But the Commission requires both a protest and two, sometimes three complaints, including this one, to be filed each year in order to challenge an index rate increase. The general complaint filed by Indicated Shippers in Docket No. OR08-13-000 also covers the 2008 index rate increase. Indicated Shippers are fully complying with the Commission’s orders. December 14 Order, 121 FERC ¶ 61,243, at ¶¶ 8-11; May 5 Order, 123 FERC ¶ 61,121, at ¶¶ 6-10.

7. 18 C.F.R. § 385.206(b)(7), “state the specific relief or remedy requested, including any request for stay or extension of time, and the basis for that relief.”

The specific relief or remedy requested is that SFPP’s index rate increase is illegal, unjust and unreasonable and therefore must be rolled back, with refunds or reparations.

No request for stay or extension of time is requested.

8. 18 C.F.R. § 385.206(b)(8), “include all documents that support the facts in the complaint in possession of, or otherwise attainable by, the complainant, including, but not limited to, contracts and affidavits.”

The Commission has represented in Order No. 561 that Page 700 of Form 6 is a sufficient basis for this Complaint and in fact requires that the Page 700 be used. In addition, the Commission now allows other information in the FERC Forms 6 to be used. Accordingly, Complainants rely upon the FERC Forms 6 filed by SFPP, including without limitation (a) Page 700 for 2007 (Attachment A); (b) Page 109.1 for 2007 (Attachment B); (c) Pages 123.4 and 123.5 for 2007, reflecting the two rate cases filed by SFPP to increase the East Line rates to recover the capital and related costs of expansions (Attachment C); (d) Pages 602, *et seq.* for 2007 (Attachment D), and (e) Pages 602, *et seq.* for 2006 (Attachment E).

9. 18 C.F.R. § 385.206(b)(9), “state (i) whether the Enforcement Hotline, Dispute Resolution Service, tariff-based dispute resolution mechanisms, or other informal dispute resolution procedures were used, or why these procedures were not used; (ii) whether the complainant believes that alternative dispute resolution (ADR) under the Commission's supervision could successfully resolve the complaint; (iii) what types of ADR procedures could be used; and (iv) any process that has been agreed on for resolving the complaint.”

Complainants have not contacted the enforcement hotline, being of the belief that it would be fruitless to do so, since it does not appear that that office addresses rate and complaint case issues.

10. 18 C.F.R. § 385.206(b)(10), “include a form of notice of the complaint suitable for publication in the Federal Register in accordance with the specifications in Sec. 385.203(d) of this part. The form of notice shall be on electronic media as specified by the Secretary.”

A Form of Notice is included.

11. 18 C.F.R. § 385.206(b)(11), “explain with respect to requests for Fast Track processing pursuant to section 385.206(h), why the standard processes will not be adequate for expeditiously resolving the complaint.”

Fast track procedures are not requested.

VI.

CONCLUSION AND REQUEST FOR RELIEF

Complainants respectfully request that the Commission review and investigate SFPP's SFPP 2008 index rate increases as a result of this complaint; resolve the legal issues presented herein, and, if then necessary, set the proceeding for an evidentiary hearing to determine just and reasonable rates for SFPP; require the payment of refunds and reparations for the index rate increase; and award such other relief as is necessary and appropriate under the Interstate Commerce Act.

Respectfully submitted,

**EXXONMOBIL OIL CORPORATION AND
BP WEST COAST PRODUCTS LLC**

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**Counsel for ExxonMobil Oil Corporation
and BP West Coast Products LLC**

Dated: August 20, 2008

ATTACHMENT A

Name of Respondent 20080419-8022 FERC PDF (Unofficial) SFPP, L.P.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 8 / 18 / 2008 / /	Year/Period of Report End of 2007/Q4
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Annual Cost of Service Based Analysis Schedule

- 1.) Use footnotes when particulars are required or for any explanations.
- 2.) Enter on lines 1-9, columns (b) and (c), the value of the respondent's Operating & Maintenance Expenses, Depreciation Expense, AFUDC Depreciation, Amortization of Deferred Earnings, Rate Base, Rate of Return, Return, Income Tax Allowance, and Total Cost of Service, respectively, for the end of the current and previous calendar years. The values shall be computed consistent with the Commission's Opinion No. 154-B et al. methodology. Any item(s) not applicable to the filing, the pipeline company shall report nothing in columns (b) and (c).
- 3.) Enter on line 10, columns (b) and (c), total interstate operating revenue, as reported on page 301, for the current and previous calendar years.
- 4.) Enter on line 11, columns (b) and (c), the throughput in barrels from the Statistics of Operations schedule, page 601, line 33b, total of items (1) and (2), from the current and previous year's FERC Form No. 6.
- 5.) Enter on line 12, columns (b) and (c), the throughput in barrel-miles from the Statistics of Operations schedule, page 600, line 33a, total of items (1) and (2), from the current and previous year's FERC Form No. 6.
- 6.) If the company makes major changes to its application of the Opinion No. 154-B et al. methodology, it must describe such changes in a footnote, and calculate the amounts in columns (b) and (c) of lines No. 1-12 using the changed application.
- 7.) A respondent may be requested by the Commission or its staff to provide its workpapers which support the data reported on page 700.

Line No.	Item (a)	Current Year Amount (in dollars) (b)	Previous Year Amount (in dollars) (c)
1	Operating and Maintenance Expenses	75,835,988	73,458,245
2	Depreciation Expense	17,161,048	11,819,935
3	AFUDC Depreciation	125,874	97,325
4	Amortization of Deferred Earnings	1,936,296	1,734,287
5	Rate Base	507,241,021	296,911,846
6	Rate of Return % (10.25% - 10.25)	7.13	8.49
7	Return on Rate Base	36,166,284	25,207,815
8	Income Tax Allowance	11,973,316	11,269,949
9	Total Cost of Service	143,198,806	123,587,556
10	Total Interstate Operating Revenues	148,856,082	139,172,954
11	Throughput in Barrels	167,404,150	163,547,750
12	Throughput in Barrel-Miles	45,465,836,007	43,575,064,798

ATTACHMENT B

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
SFPP, L.P.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	2007/Q4
Important Changes During the Quarter/Year (continued)			

- 1.) There were no changes or important additions to franchise rights in fiscal year 2007.
- 2.) In 2007, SFPP, L.P. did not, by any means, acquire any form of ownership in any other carrier operations.
- 3.) In June 2006, SFPP, L.P. placed into service an expansion project, serving the Arizona market, which increased the transportation capacity of refined petroleum products from El Paso, Texas to Tucson and Phoenix, Arizona. The expansion project included newly completed pipelines (which replaced nearly 250 miles of existing pipe), a new pump station, a new breakout facility near El Paso, and upgrades to existing stations and terminals between El Paso and Phoenix. The project cost was approximately \$210 million.

Additionally in December 2007, SFPP has completed and placed into service its East Line expansion at a cost of approximately \$154 million that increases pipeline capacity from El Paso, Texas, to Tucson and Phoenix, Ariz. The expansion replaced almost 130 miles of 8-inch diameter pipeline between El Paso and Tucson with new 16-inch diameter pipe, increasing capacity on the East Line to over 200,000 barrels per day and providing the platform for further incremental expansions through horsepower additions to the system.
- 4.) Refer to page 122, Notes to Financial Statements, for a discussion of materially important legal proceedings that reflect events as of the close of 2007.
- 5.) The respondent does not issue an annual report to stockholders.

ATTACHMENT C

Name of Respondent	This Report is:	Date of Report	Year of Report
SFPP, L.P.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2007/Q4
Notes to Financial Statements (continued)			

appealed by certain of the complainants in OR07-3, they have not been appealed by ConocoPhillips in OR07-6;

- FERC Docket No. OR07-8 (consolidated with Docket No. OR07-11)—Complainant/Protestant: BP WCP—Defendant: SFPP
Complaint alleges that SFPP's 2005 indexed rate increase was not just and reasonable. On June 6, 2007, the FERC dismissed challenges to SFPP's underlying rate but held in abeyance the portion of the Complaint addressing SFPP's July 1, 2005 index-based rate increases. SFPP requested rehearing on July 6, 2007, which the FERC denied. On February 13, 2008, the FERC set this complaint for hearing, but referred it to settlement negotiations;
- FERC Docket No. OR07-9—Complainant/Protestant: BP WCP—Defendant: SFPP
Complaint alleges that SFPP's ultra low sulfur diesel (ULSD) recovery fee violates the filed rate doctrine and that, in any event, the recovery fee is unjust and unreasonable. On July 6, 2007, the FERC dismissed the complaint. BP WCP requested rehearing, which the FERC denied. A petition for review was filed by BP WCP. The FERC's motion to dismiss or hold the case in abeyance is pending;
- FERC Docket No. OR07-11 (consolidated with Docket No. OR07-8)—Complainant/Protestant: ExxonMobil—Defendant: SFPP
Complaint alleges that SFPP's 2005 indexed rate increase was not just and reasonable. On February 13, 2008, the FERC set this complaint for hearing, but referred it to settlement negotiations. It is consolidated with the complaint in Docket No. OR07-8;
- FERC Docket No. OR07-14—Complainants/Protestants: BP WCP and Chevron—Defendants: SFPP and several affiliates
Complaint alleges violations of the Interstate Commerce Act and FERC's cash management regulations, seeks review of the FERC Form 6 annual reports of SFPP, and again requests interim refunds and reparations. The FERC dismissed the complaints;
- FERC Docket No. OR07-20—Complainant/Protestant: BP WCP—Defendant: SFPP
Complaint alleges that SFPP's 2007 indexed rate increase was not just and reasonable. In December 2007, the FERC dismissed the complaint. Complainant filed a request for rehearing which is currently pending before the FERC. In February 2008, the FERC accepted a joint offer of settlement that dismisses, with prejudice, the East Line index rate portion of the complaint in OR07-20;
- FERC Docket No. IS05-230 (North Line rate case)—Complainants/Protestants: Shippers—Defendant: SFPP
SFPP filed to increase North Line rates to reflect increased costs due to installation of new pipe between Concord and Sacramento, California. Various shippers protested. Administrative law judge decision pending before the FERC on exceptions. On August 31, 2007, BP WCP and ExxonMobil filed a motion to reopen the record on the issue of SFPP's appropriate rate of return on equity, which SFPP answered on September 18, 2007. The FERC has yet to issue an order on shipper's motion;
- FERC Docket No. IS05-327—Complainants/Protestants: Shippers—Defendant: SFPP
SFPP filed to increase certain rates on its pipelines pursuant to FERC's indexing methodology. Various shippers protested, but FERC determined that the tariff filings were consistent with its regulations. The D.C. Court dismissed a petition for review, citing a lack of jurisdiction to review a decision by FERC not to order an investigation;
- FERC Docket No. IS06-283 (East Line rate case)—Complainants/Protestants: Shippers—Defendant: SFPP
SFPP filed to increase East Line rates to reflect increased costs due to installation of new pipe between El Paso, Texas and Tucson, Arizona. Various shippers protested. In November 2007, the parties submitted a joint offer of settlement which was certified to the FERC in December 2007. In February 2008, the FERC accepted the joint offer of settlement which, among other things, resolved all protests and complaints related to the East Line Phase I Expansion Tariff;

Name of Respondent SFPP, L.P.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year of Report 2007/Q4
Notes to Financial Statements (continued)			

- FERC Docket No. IS06-356—Complainants/Protestants: Shippers—Defendant: SFPP
SFPP filed to increase certain rates on its pipelines pursuant to FERC's indexing methodology. Various shippers protested, but FERC found the tariff filings consistent with its regulations. FERC has rescinded the index increase for the East Line rates, and SFPP has requested rehearing. The D.C. Court dismissed a petition for review, citing the rehearing request pending before the FERC. On September 20, 2007, the FERC denied SFPP's request for rehearing. In November 2007, all parties submitted a joint offer of settlement. In February 2008, the FERC accepted the joint offer of settlement which, among other things, resolved all protests and complaints related to the East Line 2006 Index Tariff;
- FERC Docket No. IS07-137 (ULSD surcharge)—Complainants/Protestants: Shippers—Defendant: SFPP
SFPP filed tariffs to include a per barrel ULSD recovery fee and a surcharge for ULSD-related litigation costs on diesel products. Various shippers protested. Tariffs related to ULSD recovery fee accepted subject to refund and proceeding is being held in abeyance pending resolution of other proceedings involving SFPP. SFPP rescinded the ULSD litigation surcharge in compliance with FERC order. Request for rehearing filed by Chevron and Tesoro. The FERC ultimately denied rehearing in an order issued on November 13, 2007;
- FERC Docket No. IS07-229—Complainants/Protestants: BP WCP and ExxonMobil—Defendant: SFPP
SFPP filed to increase certain rates on its pipelines pursuant to FERC's indexing methodology. Two shippers filed protests. The FERC found the tariff filings consistent with its regulations but suspended the increased rates subject to refund pending challenges to SFPP's underlying rates. In November 2007, all parties submitted a joint offer of settlement. In February 2008, the FERC accepted the joint offer of settlement which, among other things, resolved all protests and complaints related to the East Line 2007 Index Tariff;
- FERC Docket No. IS08-28—Complainants/Protestants: ConocoPhillips; Chevron; BP WCP; ExxonMobil; Southwest Airlines; Western; and Valero—Defendant: SFPP
SFPP filed to increase its East Line rates based on costs incurred related to an expansion. Various shippers filed protests, which SFPP answered. The FERC issued an order on November 29, 2007 accepting and suspending the tariff subject to refund. The proceeding is being held in abeyance pursuant to ongoing settlement negotiations; and
- Motions to compel payment of interim damages (various dockets)—Complainants/Protestants: Shippers—Defendants: SFPP and several affiliates
Motions seek payment of interim refunds or escrow of funds pending resolution of various complaints and protests involving SFPP. The FERC denied shippers' refund requests in an order issued on December 26, 2007 in Docket Nos. OR92-8, *et al.*

In 2003, SFPP made aggregate payments of \$44.9 million for reparations and refunds pursuant to a FERC order related to Docket Nos. OR92-8, *et al.* In December 2005, SFPP received a FERC order in OR92-8 and OR96-2 that directed it to submit compliance filings and revised tariffs. In accordance with the FERC's December 2005 order and its February 2006 order on rehearing, SFPP submitted a compliance filing to the FERC in March 2006, and rate reductions were implemented on May 1, 2006.

In general, if the shippers are successful in proving their claims, they are entitled to reparations or refunds of any excess tariffs or rates paid during the two year period prior to the filing of their complaint, and SFPP may be required to reduce the amount of its tariffs or rates for particular services. These proceedings tend to be protracted, with decisions of the FERC often appealed to the federal courts.

California Public Utilities Commission Proceedings

On April 7, 1997, ARCO, Mobil and Texaco filed a complaint against SFPP with the California Public Utilities Commission (CPUC). The complaint challenges rates charged by SFPP for intrastate transportation of refined petroleum products through its pipeline system in the state of California and requests prospective rate adjustments.

ATTACHMENT D

Name of Respondent 20080419-8022 FERC PDF (Unofficial) SFPP, L.P.	This Report Is: <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
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Miles of Pipeline Operated at end of Year

- 1.) Give particulars (details) called for by State and termini, concerning the miles of all pipeline operated, and size of each line at end of year, according to the classifications given.
- 2.) Report miles of pipeline operated to the nearest whole mile adjusted to footings, i.e.: count ½ mile and over as a whole mile disregarding any fraction less than ½ mile. Report fractional size line in the next smaller whole size, e.g.: report 2-1/2" and 6-5/8" lines as 2" and 6" lines, respectively. Size of line is defined as inside diameter.
- 3.) Report under (A), the lines wholly owned and operated by respondent, including wholly owned minor facilities temporarily idle or in standby service.
- 4.) Report under (B), the total miles of pipeline owned in undivided joint interests and operated by respondent. Name each pipeline and give names of

Line No.	Name of Company and State (a)	TERMINI From - (b)	TERMINI TO - (c)	OP AT END OF YR GATHERING LINES Miles (d)	OP AT END OF YR GATHERING LINES Size of Line (in inches) (e)	OP AT END OF YR TRUNK LINES FOR CRUDE OIL Miles (f)	OP AT END OF YR TRUNK LINES FOR CRUDE OIL Size of Lines (in inches) (g)
(A) OWNED AND OPERATED BY RESPONDENT							
1	California	Watson	Colton				
2	California	Norwalk	AZ state line				
3	Arizona	Ca state line	Phoenix				
4	California	Watson	Colton				
5	California	Watson	Mission Valley				
6	California	Various	Various				
7	Arizona	NM state line	Tuscon				
8	California	Amorco	Oakland				
9	California	Oakland	San Francisco				
10	California	Concord	Sacramento				
11	California	Concord	Sacramento				
12	Arizona, California and Texas	Various	Various				
13	California and Texas	Various	Various				
14	New Mexico	TX state line	AZ state line				
15	Arizona	NM state line	Phoenix				
16	California	Colfax	NV state line				
17	Oregon	Portland	Eugene				
18	California	Bakersfield	Fresno				
19	California	Roseville	Chico				
20	Arizona	NM state line	Tuscon				
21	California and Oregon	Various	Various				
22	Arizona	Phoenix	Tucson				
23	Nevada	CA state line	Fallon NAS				
24	California	Concord	Fresno				
25	New Mexico	TX state line	AZ state line				
26	Texas	El Paso	NM state line				
27	Arizona and California	Various	Various				
28	California	Concord	NV state line				
29	California	Concord	San Jose				
30	New Mexico	TX state line	AZ state line				
31	California	Richmond	Brisbane				
32	California and Nevada	Various	Various				
33	Texas	El Paso	NM state line				
34	Arizona	Weymouth St	Naviska				
35	California	Sacramento	Roseville				
36	California	Richmond	Suisun				
37	California	Niland	Imperial				
38	California	Fresno	Lemoore NAS				
39	Texas	El Paso	NM state line				
40	Subtotal						
(B) OWNED IN UNDIVIDED JOINT INTEREST AND OPERATED BY RESPONDENT							
40	Subtotal						
(C) OWNED IN UNDIVIDED JOINT INTEREST AND OPERATED BY OTHERS							
40	Subtotal						

Name of Respondent SFPP, L.P.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2007/Q4</u>
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Miles of Pipeline Operated at end of Year (continued)

5.) Report under (C), the total miles of pipeline owned in undivided joint interests and operated by others. Name each pipeline and give names of owning companies.

6.) Report under (D), the respondent operating lines not owned by it, but leased from others, when leases are for reasonably long terms and consist of an important part of the respondent's pipeline. The lessor company should omit from its schedule such mileages leased to others.

7.) Omit minor gathering line facilities under temporary or short-term lease from this classification; the lessor should include such lines in its wholly owned and operated lines.

Line No.	OP AT END OF YR TRUNK LINES FOR PRODUCTS Miles (h)	OP AT END OF YR TRUNK LINES FOR PRODUCTS Size of Line (in inches) (i)	CHG IN MILES OPR DUR THE YR INCREASES Gathering Lines (j)	CHG IN MILES OPR DUR THE YR INCREASES TRUNK LINES For Crude Oil (k)	CHG IN MILES OPR DUR THE YEAR INCREASES TRUNK LINES For Products (l)	CHG IN MILES OPR DUR THE YEAR DECREASES Gathering Lines (m)	CHG IN MILES OPR DUR THE YEAR DECREASES TRUNK LINES For Crude Oil (n)	CHG IN MILES OPR DUR THE YEAR DECREASES TRUNK LINES For Products (o)
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(A) OWNED AND OPERATED BY RESPONDENT

1	31	24	0	0	0	0	0	0
2	229	20	0	0	0	0	0	0
3	161	20	0	0	0	0	0	0
4	63	16	0	0	0	0	0	0
5	128	16	0	0	0	0	0	0
6	4	16	0	0	0	0	0	0
7	120	12	0	0	0	0	0	0
8	32	12	0	0	0	0	0	0
9	30	12	0	0	0	0	0	0
10	67	20	0	0	0	0	0	0
11	2	14	0	0	0	0	0	0
12	67	6	0	0	0	0	0	0
13	18	4	0	0	0	0	0	0
14	0	8	0	0	0	0	0	31
15	14	8	0	0	0	0	0	88
16	57	8	0	0	0	0	0	0
17	115	8	0	0	0	0	0	0
18	98	8	0	0	0	0	0	0
19	77	8	0	0	0	0	0	0
20	127	16	0	0	97	0	0	0
21	56	8	0	0	0	0	0	0
22	0	6	0	0	0	0	0	0
23	70	6	0	0	0	0	0	0
24	171	12	0	0	0	0	0	0
25	163	12	0	0	0	0	0	0
26	23	12	0	0	0	0	0	0
27	102	12	0	0	0	0	0	0
28	128	10	0	0	0	0	0	0
29	51	10	0	0	0	0	0	0
30	164	16	0	0	32	0	0	0
31	26	10	0	0	0	0	0	0
32	44	10	0	0	0	0	0	0
33	23	8	0	0	0	0	0	0
34	20	12	0	0	0	0	0	0
35	24	12	0	0	0	0	0	0
36	44	8	0	0	0	0	0	0
37	25	6	0	0	0	0	0	0
38	35	6	0	0	0	0	0	0
39	6	16	0	0	0	0	0	0
40	2,615	0	0	0	129	0	0	119

(B) OWNED IN UNDIVIDED JOINT INTEREST AND OPERATED BY RESPONDENT

40	0	0	0	0	0	0	0	0
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(C) OWNED IN UNDIVIDED JOINT INTEREST AND OPERATED BY OTHERS

40	0	0	0	0	0	0	0	0
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ATTACHMENT E

Name of Respondent SFPP, L.P.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2006/Q4
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Miles of Pipeline Operated at end of Year

- 1.) Give particulars (details) called for by State and termini, concerning the miles of all pipeline operated, and size of each line at end of year, according to the classifications given.
- 2.) Report miles of pipeline operated to the nearest whole mile adjusted to footings, i.e.: count ½ mile and over as a whole mile disregarding any fraction less than ½ mile. Report fractional size line in the next smaller whole size, e.g.: report 2-1/2" and 6-5/8" lines as 2" and 6" lines, respectively. Size of line is defined as inside diameter.
- 3.) Report under (A), the lines wholly owned and operated by respondent, including wholly owned minor facilities temporarily idle or in standby service.
- 4.) Report under (B), the total miles of pipeline owned in undivided joint interests and operated by respondent. Name each pipeline and give names of

Line No.	Name of Company and State (a)	TERMINI From - (b)	TERMINI TO - (c)	OP AT END OF YR GATHERING LINES Miles (d)	OP AT END OF YR GATHERING LINES Size of Line (in inches) (e)	OP AT END OF YR TRUNK LINES FOR CRUDE OIL Miles (f)	OP AT END OF YR TRUNK LINES FOR CRUDE OIL Size of Lines (in inches) (g)
(A) OWNED AND OPERATED BY RESPONDENT							
1	California	Watson	Colton				
2	California	Norwalk	AZ state line				
3	Arizona	Ca state line	Phoenix				
4	California	Watson	Colton				
5	California	Watson	Mission Valley				
6	California	Various	Various				
7	Arizona	NM state line	Tuscon				
8	California	Amorco	Oakland				
9	California	Oakland	San Francisco				
10	California	Concord	Sacramento				
11	California	Concord	Sacramento				
12	Arizona, California and Texas	Various	Various				
13	California and Texas	Various	Various				
14	New Mexico	TX state line	AZ state line				
15	Arizona	NM state line	Phoenix				
16	California	Colfax	NV state line				
17	Oregon	Portland	Eugene				
18	California	Bakersfield	Fresno				
19	California	Roseville	Chico				
20	Arizona	NM state line	Tuscon				
21	California and Oregon	Various	Various				
22	Arizona	Phoenix	Tucson				
23	Nevada	CA state line	Fallon NAS				
24	California	Concord	Fresno				
25	New Mexico	TX state line	AZ state line				
26	Texas	El Paso	NM state line				
27	Arizona and California	Various	Various				
28	California	Concord	NV state line				
29	California	Concord	San Jose				
30	New Mexico	TX state line	AZ state line				
31	California	Richmond	Brisbane				
32	California and Nevada	Various	Various				
33	Texas	El Paso	NM state line				
34	Arizona	Weymouth St	Naviska				
35	California	Sacramento	Roseville				
36	California	Richmond	Suisun				
37	California	Niland	Imperial				
38	California	Fresno	Lemoore NAS				
39	Texas	El Paso	NM state line				
40	Subtotal						
(B) OWNED IN UNDIVIDED JOINT INTEREST AND OPERATED BY RESPONDENT							
40	Subtotal						
(C) OWNED IN UNDIVIDED JOINT INTEREST AND OPERATED BY OTHERS							
40	Subtotal						

Name of Respondent SFPP, L.P.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2006/Q4
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Miles of Pipeline Operated at end of Year (continued)

- 1.) Give particulars (details) called for by State and termini, concerning the miles of all pipeline operated, and size of each line at end of year, according to the classifications given.
- 2.) Report miles of pipeline operated to the nearest whole mile adjusted to footings, i.e.: count ½ mile and over as a whole mile disregarding any fraction less than ½ mile. Report fractional size line in the next smaller whole size, e.g.: report 2-1/2" and 6-5/8" lines as 2" and 6" lines, respectively. Size of line is defined as inside diameter.
- 3.) Report under (A), the lines wholly owned and operated by respondent, including wholly owned minor facilities temporarily idle or in standby service.
- 4.) Report under (B), the total miles of pipeline owned in undivided joint interests and operated by respondent. Name each pipeline and give names of

Line No.	Name of Company and State (a)	TERMINI From - (b)	TERMINI TO - (c)	OP AT END OF YR GATHERING LINES Miles (d)	OP AT END OF YR GATHERING LINES Size of Line (in inches) (e)	OP AT END OF YR TRUNK LINES FOR CRUDE OIL Miles (f)	OP AT END OF YR TRUNK LINES FOR CRUDE OIL Size of Lines (in inches) (g)
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(D) OWNED BY OTHERS BUT OPERATED BY RESPONDENT

40	Subtotal						
	GRAND TOTAL						

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**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

ExxonMobil Oil Corporation and)	
BP West Coast Products LLC)	
)	
Complainants,)	
)	
v.)	Docket No. OR08-_____
)	
SFPP, L.P.,)	
)	
Respondent.)	

**AFFIDAVIT OF COUNSEL
FOR BP WEST COAST PRODUCTS LLC
AND EXXONMOBIL OIL CORPORATION
IN SUPPORT OF COMPLAINT AGAINST SFPP, L.P.**

1. I, R. Gordon Gooch, am counsel for BP West Coast Products LLC (“BP”) and ExxonMobil Oil Corporation (“ExxonMobil”) (together, “Indicated Shippers”) regarding the above-captioned complaint proceeding against SFPP, L.P. (SFPP”). As counsel, I provide this Affidavit in support of Indicated Shippers’ Original Complaint against SFPP challenging the justness and reasonableness of SFPP’s 2008 index rate increase, as described in the complaint.

2. I hereby verify that BP and ExxonMobil are past, current and future shippers of petroleum products on all of the interstate lines owned by SFPP. Accordingly, BP and ExxonMobil have paid and will continue to pay SFPP’s charges for transportation over all of its lines, and are and will continue to be economically impacted by SFPP’s unjust and unreasonable transportation rates.

3. I am responsible for the good faith quantification of the financial impact and burden borne by Indicated Shippers as a result of SFPP’s unjust and unreasonable rates counted

in the millions of dollars over time, similar to the millions of dollars in damages due to these shippers now recorded on SFPP's books. I can and will refine that number upon completion of the discovery process.

4. I hereby declare that I have read the relevant salient Commission orders and regulations applicable to oil pipeline proceedings of this nature and, to the best of my knowledge, have complied with all applicable Commission directives. If I have overlooked or misinterpreted anything, please accept my apologies in advance and allow me to make amends.

5. I hereby declare that, to the best of my knowledge, all the facts set forth in the complaint are true and accurate. I take full and personal responsibility for every word in the text of this complaint, other than the quotations.

Executed this 20th day of August, 2008.

/s/ R. Gordon Gooch

R. Gordon Gooch

Travis & Gooch

851 N. Glebe Road, Suite 1911

Arlington, VA 22203

(703) 351-7520

gordon_gooch@travisandgooch.com

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

ExxonMobil Oil Corporation and)	
BP West Coast Products LLC,)	
)	
Complainants,)	
)	
v.)	Docket No. OR08-_____
)	
SFPP, L.P.,)	
)	
Respondent.)	

NOTICE OF COMPLAINT

(_____, 2008)

Take notice that on August 20, 2008, ExxonMobil Oil Corporation and BP West Coast Products LLC (“Complainants”) tendered for filing a Complaint against SFPP, L.P. (“SFPP”) challenging SFPP’s 2008 index rate increases as unjust and unreasonable under Section 1(5) of the Interstate Commerce Act. Complainants request that the Commission review and investigate SFPP’s index rate increases; resolve the legal issues, and, if necessary, set the proceeding for an evidentiary hearing to determine whether SFPP’s currently effective rates are just and reasonable; require the payment of refunds and reparations for the index rate increase; and award such other relief as is necessary and appropriate under the Interstate Commerce Act.

Complainants state that copies of the Complaint were served on SFPP, L.P.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission’s Rules of Practice and Procedure (18 C.F.R. §§ 385.211 and 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. The Respondent’s answer and all interventions, or protests must be filed on or before the comment date. The Respondent’s answer, motions to intervene, and protests must be served on the Complainants.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the “eFiling” link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426.

The public version of this filing is accessible on-line at <http://www.ferc.gov>, using the “eLibrary” link and is available for review in the Commission’s Public Reference Room in Washington, D.C. There is an “eSubscription” link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: _____

Kimberly D. Bose
Secretary

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document by E-Mail or by first-class U.S. Mail, postage prepaid, upon counsel for the Respondent in this proceeding.

Dated at Washington, D.C., this 20th day of August, 2008.

/s/ Nancilee Holland

Nancilee Holland

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