

168 FERC ¶ 61,043
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Neil Chatterjee, Chairman;
Cheryl A. LaFleur, Richard Glick,
and Bernard L. McNamee.

SFPP, L.P.

Docket Nos. IS19-508-000
IS19-508-001

ORDER ACCEPTING TARIFFS SUBJECT
TO REFUND AND THE OUTCOME OF ONGOING PROCEEDINGS

(Issued July 19, 2019)

1. On May 30, 2019, SFPP, L.P. (SFPP) filed revised tariffs to implement index-based rate increases pursuant to section 342.3 of the Commission's regulations¹ for its East, West, North, Oregon, and Sepulveda Lines, as well as for its Watson Station Deficiency charge.² HollyFrontier Refining & Marketing LLC and Valero Marketing and Supply Company (HV Shippers) jointly protested the tariffs as applied to SFPP's

¹ 18 C.F.R. § 342.3 (2018).

² SFPP, L.P., FERC Oil Tariff, SFPP Tariff Database, [East Line Tariff, FERC 197.14.0, 197.14.0](#). SFPP, L.P., FERC Oil Tariff, SFPP Tariff Database, [West Line Tariff, FERC 198.21.0, 198.21.0](#). SFPP, L.P., FERC Oil Tariff, SFPP Tariff Database, [North Line Tariff, FERC 199.10.0, 199.10.0](#). SFPP, L.P., FERC Oil Tariff, SFPP Tariff Database, [Oregon Line Tariff, FERC 200.13.0, 200.13.0](#). SFPP, L.P., FERC Oil Tariff, SFPP Tariff Database, [Sepulveda Junction Tariff, FERC 195.11.0, 195.11.0](#). SFPP, L.P., FERC Oil Tariff, SFPP Tariff Database, [Rules and Regs Tariff, FERC 194.16.0, 194.16.0](#). SFPP, L.P., FERC Oil Tariff, SFPP Tariff Database, [Calnev Line, FERC 196.21.0, 196.21.0](#). The Watson Station Deficiency charge is set forth in the Rules and Regs Tariff, FERC 194.16.0. The rates in Calnev Line, FERC 196.21.0, 196.21.0 have been treated as part of the West Line for ratemaking purposes. *E.g.*, SFPP, L.P., Opinion No. 511, 134 FERC ¶ 61,121, at PP 2-3 (2011), *vacated and remanded on other grounds sub nom. United Airlines v. FERC*, 827 F.3d 122 (D.C. Cir. 2016). References to West Line tariffs throughout this order encompass both West Line Tariff, FERC 198.21.0, 198.21.0 and Calnev Line, FERC 196.21.0, 196.21.0.

East Line rates. Tesoro Refining & Marketing Company LLC and Western Refining Company, L.P. (TW Shippers) jointly protested the tariffs as applied to the East Line and North Line rates. On June 19, 2019, SFPP filed a revised tariff adjusting its proposed East Line ceiling levels and indexed rate increases.³

2. As discussed below, the Commission exercises its discretion not to investigate the protested index increases. Accordingly, the Commission accepts SFPP's proposed tariffs for the North, Oregon, and Sepulveda Lines as well as the Watson Station Deficiency charge to be effective July 1, 2019. The Commission accepts SFPP's West Line tariff to be effective July 1, 2019, subject to refund, and the outcome of proceedings in Docket Nos. IS11-444, et al.⁴ Likewise, the Commission accepts SFPP's revised East Line tariff to be effective July 1, 2019, subject to refund, and the outcome of proceedings in Docket Nos. IS09-437, et al.⁵

I. **Background**

A. **Indexing**

3. Under indexing, oil pipelines may adjust their rates so long as those rates remain at or below applicable ceiling levels. The ceiling levels change every July 1 based on an index that tracks industry-wide cost changes. This year's index adjustment is 4.3108 percent for changing oil pipelines' rate ceiling levels, effective July 1, 2019.⁶ If a pipeline elects not to change its rates to the new ceiling level in a given year, it may increase its rates to the ceiling level in subsequent years.

4. If a pipeline changes its rates using the indexing methodology, shippers may file a protest or a complaint alleging either that the proposed rate change exceeds the applicable

³ SFPP, L.P., FERC Oil Tariff, SFPP Tariff Database, [East Line Tariff, FERC 197.14.1, 197.14.1](#).

⁴ The Commission set SFPP's 2011 West Line indexed rate increase for hearing and settlement judge procedures in Docket No. IS11-444. *SFPP, L.P.*, 162 FERC ¶ 61,230 (2018). An offer of settlement that aims to resolve all issues in that proceeding is pending before the Commission.

⁵ SFPP's 2009 East Line cost-of-service rate filing remains subject to ongoing litigation in Docket No. IS09-437. *See, e.g., SFPP, L.P.*, Opinion No. 522-B, 162 FERC ¶ 61,229 (2018).

⁶ *Revisions to Oil Pipeline Regulations Pursuant to the Energy Policy Act of 1992*, 167 FERC ¶ 61,122 (2019).

ceiling level or that the rate change is “so substantially in excess” of the pipeline’s cost changes that the resulting rate is not just and reasonable.⁷ In applying the “substantially in excess” standard, the Commission relies upon the percentage comparison test using Form No. 6, page 700 (page 700). Pursuant to the percentage comparison test, the Commission will investigate a protested indexed rate change if there is a ten percent or more differential between (a) the proposed indexed rate change and (b) the change in the prior two years’ total cost-of-service data reported on page 700, line 9.⁸ The percentage comparison test preserves the simplicity of the oil pipeline indexing process⁹ and serves as the means by which the Commission determines whether a protest satisfies the “substantially in excess” standard. The Commission will not consider protests to index-based rate changes that raise arguments beyond the scope of the percentage comparison test.¹⁰ However, the Commission will apply a wider range of factors beyond the percentage comparison test in reviewing a complaint against an index-based rate increase.¹¹

B. SFPP’s System

5. SFPP is a common carrier oil pipeline that transports refined petroleum products in interstate commerce. SFPP has four separate pipeline systems, commonly referred to as the East, North, West, and Oregon Lines. The East Line originates in El Paso and Diamond Junction, Texas, and delivers to Lordsburg, New Mexico, and Tucson and Phoenix, Arizona. The North Line originates at Richmond and Concord, California, and delivers to the Reno, Nevada area. The West Line originates at Watson Station and East Hynes near Los Angeles, California, and delivers to Phoenix, Arizona. Finally, the Oregon Line originates at Portland, Oregon, and delivers to Eugene, Oregon.

6. SFPP has two other jurisdictional charges that are listed in separate tariffs. One is the rate for transportation over the 3.6 mile Sepulveda Line in California that connects

⁷ 18 C.F.R. § 343.2(c)(1) (2018).

⁸ *Calnev Pipe Line L.L.C.*, 130 FERC ¶ 61,082, at PP 10-11 (2010) (*Calnev*).

⁹ *Id.* P 10.

¹⁰ *E.g.*, *SFPP, L.P.*, 130 FERC ¶ 61,081, at P 14 (2010); *SFPP, L.P.*, 163 FERC ¶ 61,232 at P 4 n.11 (2018).

¹¹ *See Calnev*, 130 FERC ¶ 61,082 at P 11 (citing *BP West Coast Prods. LLC v. SFPP, L.P.*, 121 FERC ¶ 61,243, at PP 8-9 (2007)).

Sepulveda Junction with Watson Station for further transportation on the West Line. The other is the Watson Volume Deficiency charge for volumes entering Watson Station which do not meet minimum flow rate and pressure requirements.

7. On May 30, 2019, SFPP filed to increase its rates effective July 1, 2019, pursuant to the indexing methodology. For its West Line, Oregon Line, Sepulveda Line, and Watson Station charge, SFPP proposes to increase its rates by the 4.3108 percent index level. SFPP's East Line and North Line rates were below the then-existing ceiling level prior to the instant filing, and SFPP proposed in its May 30 filing to increase its East Line rates by approximately 13 percent¹² and its North Line rates by over 10.2 percent.¹³ In its June 19 filing, SFPP filed a revised tariff proposing lower East Line rate increases of approximately 11.2 percent.¹⁴

II. Protests of SFPP's Indexed Rates Changes for the East and North Lines

8. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure,¹⁵ all unopposed and timely filed motions to intervene and any unopposed motion to intervene out of time filed before this order issues are granted.

9. On June 14, 2019, HV Shippers and TW Shippers filed separate protests and motions to intervene. HV Shippers protest the tariffs filed on May 30, 2019, as applied to SFPP's East Line rates, and TW Shippers protest those tariffs as applied to the East Line and North Line rates. No challenges were made against SFPP's indexed rate changes for the West Line, Oregon Line, Sepulveda Line, or Watson Station.

¹² For the East Line, the rates effective as of June 2019 for transportation service to Lordsburg, Tucson, and Phoenix were 72.31 cents per barrel (cpb), 123.66 cpb, and 168.46 cpb, respectively. SFPP proposed in its May 30 filing to increase these rates for the July 2019 to June 2020 period to 81.73 cpb, 139.73 cpb, and 190.39 cpb, reflecting increases of approximately 13.03 percent, 12.99 percent, and 13.02 percent, respectively.

¹³ For the North Line, SFPP proposed a rate increase from 228.57 cpb to 251.90 cpb, a 10.2 percent increase.

¹⁴ SFPP proposes in the June 19 filing to increase its East Line rates for transportation service to Lordsburg, Tucson, and Phoenix to 80.42 cpb, 137.48 cpb, and 187.32 cpb, respectively, reflecting increases of approximately 11.22 percent, 11.18 percent, and 11.20 percent.

¹⁵ 18 C.F.R. § 385.214 (2018).

10. On June 19, 2019, SFPP filed responses to HV Shippers' and TW Shippers' protests, as permitted by 18 C.F.R. § 343.3(b). TW Shippers filed an answer to SFPP's response on June 25, 2019, to which SFPP filed a reply on June 27, 2019. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure¹⁶ prohibits an answer to an answer unless otherwise ordered by the decisional authority. The Commission will accept TW Shippers' answer and SFPP's reply because they have provided information that assisted us in our decision-making process.

11. The protests raise two issues. First, they argue that SFPP miscalculated its East Line ceiling level. Second, they claim that SFPP's East Line and North Line rate increases fail the percentage comparison test and should either be rejected or set for hearing investigations. As discussed below, upon review of the record, the Commission exercises its discretion not to investigate SFPP's index increases.

A. SFPP's East Line Ceiling Level Calculations

1. Protests

12. HV Shippers and TW Shippers dispute the ceiling levels in SFPP's May 30 East Line Tariff, claiming, among other things, that in calculating its East Line ceiling levels, SFPP incorrectly applied the full 2011 index adjustment to its ceiling levels in effect before July 1, 2011.¹⁷ HV Shippers explain that the 2011 index increase was intended to compensate SFPP for cost changes from 2009 to 2010. HV Shippers state that the test period used in SFPP's East Line rate case in Docket No. IS09-437-000 already included three months of calendar year 2010 costs, and the Commission in Opinion No. 522-A approved SFPP's decision to limit its 2011 East Line indexed rate increase to 75 percent (i.e., three-twelfths) of the generally applicable index percentage as required by Commission policy.¹⁸ Accordingly, HV Shippers assert that SFPP's East Line ceiling levels for 2011 should be limited to 75 percent of the generally applicable index percentage for that index year.¹⁹

¹⁶ 18 C.F.R. § 385.213(a)(2).

¹⁷ See HV Shippers Protest at 7.

¹⁸ *Id.* at 9 (citing *SFPP, L.P.*, Opinion No. 522-A, 150 FERC ¶ 61,097, at P 75, n.125 (2015)).

¹⁹ *Id.* at 7-9.

2. SFPP's Response

13. SFPP states that the revised East Line tariff that it filed on June 19, 2019 reflects correctly calculated ceiling levels and reduces the proposed East Line rates to conform to the corrected ceiling levels.²⁰ SFPP represents that HV Shippers and TW Shippers have indicated their concurrence to this amendment.²¹ Therefore, SFPP states that HV Shippers' protest and the portion of TW Shippers' protest challenging the East Line ceiling levels have been resolved.²²

3. Discussion

14. SFPP's June 19 revised East Line tariff addresses the protesters' concerns regarding the East Line ceiling levels by applying only 75 percent of the 2011 index increase in calculating the 2019 ceiling levels. The Commission finds that SFPP has correctly calculated its 2019 East Line ceiling levels in its revised tariff.²³ Accordingly, the Commission finds that HV Shippers' protest, as well as the portion of TW Shippers' protest addressing the East Line ceiling levels, have been resolved.

B. SFPP's East and North Line Index Rate Changes

1. TW Shippers' Protest

15. TW Shippers argue that SFPP's proposed indexed East and North Line rate increases fail the percentage comparison test and should either be rejected or set for hearing.²⁴ TW Shippers assert that SFPP has inflated its 2018 page 700 total cost of service by artificially increasing the real return on equity (ROE) included in its page 700 from 12.22 percent in 2017 to 16.19 percent in 2018, and further assert that if the ROE is adjusted downward to an appropriate level, SFPP's East and North Line rate increases

²⁰ SFPP Response to HV Shippers Protest at 2.

²¹ *Id.*

²² *Id.*; *see also* SFPP Response to TW Shippers Protest at 3.

²³ Opinion No. 522-A, 150 FERC ¶ 61,097 at P 75, n.125. *See also* Opinion No. 511-A, 137 FERC ¶ 61,220, at PP 367-411 (2011), *order on reh'g*, Opinion No. 511-B, 150 FERC ¶ 61,096, at PP 22-33 (2015), *aff'd*, *United Airlines, Inc. v. FERC*, 827 F.3d 122, at 131-34 (D.C. Cir. 2016).

²⁴ TW Shippers Protest at 2.

fail the percentage comparison test.²⁵ Specifically, TW Shippers explain that the 16.19 percent ROE reported on SFPP's 2018 page 700 reflects an increase from the 12.22 percent ROE reported on its 2017 page 700.²⁶ TW Shippers argue that SFPP has not justified this increase and that analysis by TW Shippers' witness Peter K. Ashton shows that a reasonable ROE for SFPP for 2018 would be no higher than 11.38 percent.²⁷ Notwithstanding Mr. Ashton's analysis, TW Shippers claim that merely reducing SFPP's ROE to the 12.22 percent ROE that it reported in 2017 would cause a 6.4 percent decline in SFPP's cost of service between 2017 and 2018.²⁸ TW Shippers argue that, when this adjustment is made, SFPP's proposed indexed rate increases exceed the percentage comparison test's ten percent threshold.²⁹

16. Additionally, TW Shippers state that the Commission should apply the modified percentage comparison test that the Commission proposed in Docket No. RM17-1-000.³⁰ TW Shippers state that under this test, a pipeline cannot implement an indexed rate increase if the differential between the increase and the pipeline's cost change measured on a barrel-mile basis exceeds five percent, and the pipeline is not under-recovering its costs.³¹ Here, TW Shippers assert that SFPP did not under-recover its costs in 2017 or 2018, and that the differential between its barrel-mile cost changes and its proposed rate increases for the East and North Lines exceeds five percent.³²

²⁵ *Id.* at 3-4.

²⁶ *Id.* at 6-7.

²⁷ *Id.* at 7.

²⁸ *Id.*

²⁹ *Id.* at 7-8. TW Shippers claim that, when this adjustment is made, SFPP's proposed East Line indexed rate increases result in a 20 percent differential under the percentage comparison test and its proposed North Line increase results in a 16.6 percent differential. *Id.*

³⁰ See *Revisions to Indexing Policies and Page 700 of FERC Form No. 6*, 157 FERC ¶ 61,047, at PP 13, 16 (2016) (ANOPR).

³¹ TW Shippers Protest at 8.

³² *Id.* Mr. Ashton calculates the barrel-mile change in SFPP's costs from 2017 to 2018 and concludes that the proposed East Line and North Line indexed rate increases

2. SFPP's Response

17. SFPP argues that the Commission should reject TW Shippers' protest because it fails to show that SFPP's proposed rate increases exceed the percentage comparison test's ten percent threshold.³³ SFPP asserts that the Commission has only investigated protests to indexed rate increases when the divergence between the increase and the change in the pipeline's costs exceeded 10 percentage points, and has rejected protests in all other instances.³⁴ SFPP states that its 2018 page 700 shows an increase in its actual interstate cost of service from \$164,190,607 in 2017 to approximately \$172,986,130 in 2018, a year-over-year increase of 5.3569 percent.³⁵ SFPP states that its proposed 10.21 percent rate increase for the North Line and 11.21 percent increase for the East Line are both within 10 percentage points of its 5.3569 percent cost increase.³⁶ As such, SFPP argues that the Commission should reject TW Shippers' protest.³⁷

18. SFPP further argues that TW Shippers' challenge to the ROE reported on SFPP's page 700 is contrary to Commission practice and without factual support.³⁸ First, SFPP states that Commission precedent makes clear that challenges to indexed rate increases are limited to information shown on the face of the pipeline's page 700.³⁹ SFPP asserts that evaluating a pipeline's ROE requires expert testimony and arguments on accounting and rate reasonableness issues that the Commission seeks to avoid in the context of protested

exceed the cost change by 9.4 percent and 6.6 percent, respectively. *Id.*, Ex. A at 9 (Sworn Declaration of Peter K. Ashton).

³³ SFPP Response to TW Shippers Protest at 4-7.

³⁴ *Id.* at 6 (citing *NuStar Logistics, L.P.*, 139 FERC ¶ 61,278, at P 13 (2012); *SFPP, L.P.*, 139 FERC ¶ 61,266, at PP 7-8 (2012)).

³⁵ *Id.* at 5.

³⁶ *Id.* at 5-6.

³⁷ *Id.*

³⁸ *Id.* at 7-9.

³⁹ *Id.* at 7-8 (citing *BP West Coast Prods. LLC v. SFPP, L.P.*, 119 FERC ¶ 61,241, at P 9 (2007); *NuStar Logistics, L.P.*, 140 FERC ¶ 61,107, at PP 5, 7 (2012); *SFPP, L.P.*, 115 FERC ¶ 61,388, at P 10 (2006)).

indexed rate increase filings.⁴⁰ Second, SFPP maintains that TW Shippers' contention that SFPP artificially increased its ROE to manipulate its page 700 cost of service is baseless because SFPP's witness, Dr. Michael J. Webb, prepared SFPP's ROE calculations for 2017 and 2018 in accordance with the Commission's standard discounted cash flow (DCF) methodology.⁴¹ SFPP provides an affidavit from Dr. Webb and workpapers purporting to support his DCF calculations.

3. TW Shippers' Answer

19. TW Shippers argue that there were numerous errors in the calculations Dr. Webb conducted to support his affidavit. TW Shippers claim that Dr. Webb patently misapplied clear Commission precedent in constructing his alternative proxy group.⁴² Additionally, TW Shippers claim that Dr. Webb ignored binding Commission instructions regarding the use of an index to predict short-term growth rates.⁴³ TW Shippers state that the Commission's policy statement requires using data published by Institutional Brokers Estimated System (IBES) to predict short-term growth rates, but Dr. Webb uses data from Yahoo! Finance.⁴⁴

4. SFPP's Reply to TW Shippers' Answer

20. In response to TW Shippers' argument regarding short-term growth rates, SFPP states that the Commission has accepted data from Yahoo! Finance in its Proxy Group Policy Statement because IBES no longer publishes its Monthly Summary Data.⁴⁵

⁴⁰ *Id.* at 8 (citing *BP West Coast Prods., LLC v. SFPP, L.P.*, 121 FERC ¶ 61,141, at P 6 (2007)).

⁴¹ *Id.* at 9.

⁴² TW Shippers Answer at 3.

⁴³ *Id.*

⁴⁴ *Id.* (citing *Composition of Proxy Groups for Determining Gas and Oil Pipeline Return on Equity*, 123 FERC ¶ 61,048 (2008) (Proxy Group Policy Statement)).

⁴⁵ SFPP Reply to TW Shippers Answer at 2 (citing *BP Pipelines (Alaska) Inc.*, 134 FERC ¶ 63,020, at P 566 (2011); Proxy Group Policy Statement, 123 FERC ¶ 61,048 at P 84).

5. Discussion

21. The Commission exercises its discretion not to investigate the protested index increases. As discussed above, under the percentage comparison test, the Commission typically investigates a protested indexed rate change if there is a ten percent or more differential between (a) the proposed indexed rate change and (b) the change in the prior two years' total cost-of-service data reported on page 700, line 9.⁴⁶ The indexed rate increases that SFPP proposes here are below this threshold. SFPP's page 700 costs increased by 5.4 percent, from \$164,190,607 to \$172,986,130, between 2017 and 2018 while SFPP proposes index increases of 11.2 percent for the East Line and 10.2 percent for North Line. This leads to divergences under the percentage comparison test of 5.8 percent for the East Line and 4.8 percent for the North Line.⁴⁷ These divergences are below the 10 percent threshold that the Commission has previously identified as warranting an investigation.⁴⁸

22. The Commission finds that TW Shippers' challenge to the real ROE reported on SFPP's 2018 page 700 is outside the scope of this proceeding. The Commission has long held that it will not consider challenges to page 700 in a protest against an index filing.⁴⁹

⁴⁶ *Calnev*, 130 FERC ¶ 61,082 at PP 10-11.

⁴⁷ With the filing of the amendment, SFPP proposes index increases of 11.3 percent for the East Line.

⁴⁸ *E.g.*, *SFPP, L.P.*, 139 FERC ¶ 61,267, at P 10 (2012), *reh'g denied*, 143 FERC ¶ 61,140 (2013) (rejecting protests to an index increase in which the indexed rate change exceeded the cost change by 9.88 percent); *Calnev Pipe Line, L.L.C.*, 115 FERC ¶ 61,387, at PP 10-11 (2006) (setting index rate increase for hearing based upon a 10.95 percent differential); *SFPP, L.P.*, 139 FERC ¶ 61,266 at P 7 (setting index rate increase for hearing based upon a 13.1 percent differential under the percentage comparison test).

⁴⁹ *SFPP, L.P.*, 130 FERC ¶ 61,081, at PP 8-9 (2010) (explaining that "The Commission has consistently ruled that Form No. 6 implementation matters are generic cost issues that address how a pipeline's cost of service is constructed and are not properly raised in a protest or complaint against an index-based rate increase. Instead these are accounting matters that may be raised in a separate complaint that asserts credible grounds to believe that there is a significant accounting problem. The Commission will not allow Chevron to mount a general attack on SFPP's FERC Form No. 6 accounting practices through a protest in this proceeding."); *Calnev Pipe Line L.L.C.*, 127 FERC ¶ 61,304, at P 5 (2009) ("[T]he Commission has made quite clear that it will not review allegations regarding the appropriateness of a pipeline's cost of service or the accordence of its accounting in an index proceeding. Such allegations must be included in a complaint

This approach is consistent with the objectives of indexing. The indexing system “allows rates to be changed without a detailed and comprehensive presentation and examination of the individual pipeline’s cost of service in each case.”⁵⁰ In order to preserve the indexing methodology’s simplicity, the Commission typically restricts its analysis at the preliminary screening stage to the percentage comparison test using page 700,⁵¹ which “avoids extensive arguments over issues of accounting accuracy and rate reasonableness within the time limits available for Commission review.”⁵² Here, TW Shippers’ arguments challenging the reasonableness of SFPP’s real ROE go beyond the application of the percentage comparison test and would require reviewing the appropriateness of a cost factor embedded in SFPP’s page 700 summary cost of service. Accordingly, the Commission rejects this argument as outside the limited scope of this proceeding addressing SFPP’s proposed indexed rate increases.⁵³

23. Likewise, the Commission rejects TW Shippers’ proposal to apply potential modifications to the percentage comparison test proposed in the pending ANOPR in Docket No. RM17-1-000.⁵⁴ The Commission sought comment regarding these proposals, and both shippers and pipelines filed comments. The ANOPR proceeding remains pending before the Commission.

once the index-based filing becomes effective.”); *SFPP, L.P.*, 115 FERC ¶ 61,388 at P 10 (noting that if protesters believe that a pipeline “has not accurately calculated the index based on its existing costs and its internal record of those costs, they may file a separate complaint to that effect.”). *See also BP West Coast Prods. LLC v. SFPP, L.P.*, 121 FERC ¶ 61,243 at PP 8-9 (explaining the difference between challenges to index rate changes and challenges to page 700).

⁵⁰ *SFPP, L.P.*, 120 FERC ¶ 61,245, at P 10 (2007).

⁵¹ *North Dakota Pipeline Co., LLC*, 163 FERC ¶ 61,235, at P 12 (2018) (citing *SFPP, L.P.*, 139 FERC ¶ 61,266 at P 7).

⁵² *BP West Coast Prods., LLC*, 121 FERC ¶ 61,141 at P 6.

⁵³ Although we are rejecting this protest, we note that shippers may raise these issues in a complaint against both SFPP’s page 700 and indexed rate increases.

⁵⁴ This includes both (a) lowering the threshold for initiating an investigation from ten to five percent and (b) comparing the index rate change to the change in cost per barrel-mile as opposed to merely the change in cost. *ANOPR*, 157 FERC ¶ 61,047 at PP 13, 16.

III. SFPP's Indexed Rate Changes for the West Line, Oregon Line, Sepulveda Line, and Watson Station

24. No party challenges SFPP's indexed rate changes for its West, Oregon, and Sepulveda Lines. Likewise, no protest has been filed against SFPP's index increase for its Watson Station Deficiency charge. Because these indexed rate increases are within the applicable ceiling levels, the Commission accepts the tariffs for the Oregon Line, Sepulveda Line, and Watson Station Deficiency charge,⁵⁵ and accepts the West Line tariffs subject to refund and the outcome of proceedings in Docket Nos. IS11-444, et al.⁵⁶

The Commission orders:

(A) The West Line tariffs listed in footnote two are accepted, effective July 1, 2019, subject to refund and the outcome of proceedings in Docket Nos. IS11-444, et al., as discussed in the body of this order.

(B) The East Line tariff listed in footnote two is rejected as moot and the tariff listed in footnote three is accepted, effective July 1, 2019, subject to refund and the outcome of proceedings in Docket Nos. IS09-437, et al., as discussed in the body of this order.

(C) The Sepulveda Line, Watson Station, North Line, and Oregon Line tariffs listed in footnote two are accepted, effective July 1, 2019, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁵⁵ 18 C.F.R. § 342.3(a) (providing that under indexing and upon proper notice, a rate can be changed at any time so long as it does not exceed the ceiling level).

⁵⁶ *Id.* (providing that “[a] filing under this section proposing to change a rate that is under investigation and subject to refund, must take effect subject to refund.”).