

**LOUISIANA PUBLIC SERVICE COMMISSION**  
**GENERAL ORDER**  
**LOUISIANA PUBLIC SERVICE COMMISSION, EX PARTE**

---

*Docket No. R-33390 Rules Applicable To Common Carrier Petroleum Pipelines*

---

(Decided at the Commission's Business and Executive Session held February 26, 2015.)

***Purpose***

The Louisiana Public Service Commission ("Commission" or "LPSC") initiated this rulemaking with the goal of formally adopting rules and policies specific to the regulation of petroleum pipeline common carriers. This General Order supersedes any previous orders and minute entries pertaining to petroleum pipelines. The requirements in this General Order apply prospectively to all persons engaged in the transportation of petroleum by pipeline as common carriers for hire ("Carriers").

***Jurisdiction***

The Louisiana Constitution and the Louisiana Revised Statutes Title 45, Chapter 5, Part I, provide that common carriers are subject to regulation by the Commission. La. Const. Art. IV, section 21 (B) provides, in pertinent part,

The commission shall regulate all common carriers and public utilities and have such other regulatory authority as provided by law. It shall adopt and enforce reasonable rules, regulations, and procedures necessary for the discharge of its duties, and shall have other powers and perform other duties as provided by law.

La. R.S. 45:252 provides,

All pipe lines through which petroleum is conveyed from one point in this state to another point in the state are declared to be common carriers as defined in R.S. 45:251 and are placed under the control of and subject to regulation by the Louisiana Public Service Commission.

***Rules***

**Section 1. Registration as Petroleum Pipeline Common Carrier**

Prior to initiating service, a Carrier shall submit a registration with the Commission and attach tariff(s) that comply with the requirements in Section 3 and Section 4 of this General Order. The registration shall be in the form of a letter and include the Carrier's name, organizational structure identifying ownership of the pipeline system(s), pipeline system name(s), pipeline system map(s), and regulatory contact information.

Carriers with existing tariffs or approved tariff exceptions on file with the Commission are not required to submit a registration letter or re-submit tariffs. Tariffs or approved tariff exceptions already on file with the Commission will remain in effect.

Section 2. Notification Requirements

No later than 60 days after the effective date of a change, a Carrier shall notify the Commission of a change to any of the information that the Carrier provided in its registration as a common carrier pipeline, including notification that the Carrier terminates its registration with the Commission as a common carrier, i.e. all tariffs and contracts have been cancelled and the Carrier has terminated common carrier operations in Louisiana.

Section 3. Tariffs

All Carriers shall maintain tariffs on file with the Commission or obtain approval for a tariff exception. Tariff filings shall contain a transmittal letter which must contain the Commission tariff number, describe the purpose of the filing, and explain any changes to the Carrier's rates, rules, terms or conditions of service.

Carriers shall ensure that tariffs on file with the Commission are accurate at all times. Tariffs must be consecutively numbered and identify where changes have been made in existing rates, rules, regulations or practices. Changes may be indicated in a manner such as highlight, background shading, bold, underline, strike-through, or use of the following terms:

<b>Description</b>	<b>Symbol</b>
Increase	[I]
Decrease	[D]
Change in wording only	[W]
Cancel	[C]
Unchanged Rate	[U]
New	[N]

Tariff filings shall be reviewed at the Staff level, except rate increases requiring Commission approval as stated in Section 4.D of this General Order. Absent written notice to the contrary from Staff within 30 days after receipt of the filing, tariff filings reviewed at the Staff level are deemed accepted by the Commission 30 days after receipt. <sup>1</sup>

A) *Tariff Contents*

---

<sup>1</sup> The Commission's acceptance of a tariff for filing shall not be construed as a waiver of the requirements of this General Order; and such acceptance is without prejudice to any orders which have been or may be made by the Commission.

All tariffs shall contain the following information:

Responsible Party. The name of the Carrier, the mailing address of the Carrier, and the name, e-mail address, and phone number of the Carrier's designee responsible for maintaining the Carrier's compliance with Commission orders.

Statement of Rates. Rates must be stated explicitly in dollars and cents, per barrel or other specified unit. The name of the pipeline and designations of the places from and to which the rates apply must be arranged in a simple and systematic manner.

Rules. Rules affecting the jurisdictional transportation rates or services provided for in the tariff. Tariffs must include rules governing jurisdictional matters such as prorationing of capacity, receiving, tanking, delivering, transferring and loading, commingling, quality control, carrier liability, and all other jurisdictional charges, services, allowances, absorptions and rules which in any way increase or decrease the amount to be paid on any shipment or which increase or decrease the value of service to the shipper. Rules may be separately published in a general rules tariff. Rate tariffs that do not contain rules must make specific reference, by LPSC tariff number, to the governing general rules tariff. The Rules may also cover non-jurisdictional services offered by Carriers and their related fees, such as inventory management services and gravity bank services.

Effective Date. The effective date of the tariff.

Type of Commodity. The type(s) of commodity being transported through the pipeline.

B) *Cancellation of Tariff.* A Carrier must cancel a tariff when all of the services reflected in the tariff are terminated or no longer provided by that Carrier. The Carrier must submit notification of the cancellation to the Commission within 30 days of the termination of service or provision of service by that Carrier. The cancellation notification must include a statement certifying that the Carrier's current shippers affected by the cancellation have been notified of the cancellation. This paragraph does not apply to temporary suspensions of service.

C) *Tariff Exception.* A Carrier may request approval from the Commission's Executive Secretary to provide service on a particular pipeline segment pursuant to the terms of transportation contracts with individual shippers rather than a tariff. The request shall include the list of shippers, an explanation regarding why individually negotiated contracts will meet the needs of the Carrier and the shippers, and whether there are parties other than the listed shippers seeking transportation on the pipeline.

Carriers operating under the tariff exception must comply with all requirements of this General Order except those related to tariff and rate filings. These Carriers are also obligated to report to the Commission the addition of or the refusal of service to new shippers and the termination, expiration, or renegotiation of contracts with existing shippers.

#### Section 4: Tariff Rates

Carriers shall charge rates that are just and reasonable, and not unreasonably discriminatory, for services offered under the same or similar circumstances.

A) *Discounted Rates.* The tariff may include discounted rates for i) long-term service ii) high volumes, iii) underwriting the provision of service on a pipeline system by providing assistance in financing construction, repair, or maintenance of the pipeline system, or iv) promoting the use of under-utilized pipeline capacity. The tariff shall clearly state which rates are discounted rates and the type of discount, as opposed to general tariff rates. The shippers receiving discounted rates may have a higher priority in an allocation situation, but remain subject to allocation.

B) *Premium Rates.* The tariff may include premium rates for Firm Service. Firm Service is defined as a transportation service that allows a shipper to contract for reserved capacity for a set term based on a maximum monthly volume, with the terms and conditions of such service defined in a Firm Service contract. The tariff shall clearly state which rates are premium rates for Firm Service, as opposed to general tariff rates. When allocation of capacity is required per the terms of the Firm Service contract, the sum of the volumes of Firm Service shippers shall not exceed 90% of the total available monthly capacity.

C) *Rate Decreases.* A Carrier may decrease its rates, fares, or charges by filing an updated tariff with the Commission but will be subject to all provisions of this General Order if the Carrier seeks to increase such rates, fares or charges at a later date. The transmittal letter shall confirm that notification of the rate change has been provided to the Carrier's current shippers affected by the rate decrease and describe the form of notification provided to such shippers.

D) *Rate Increases.* As stated in the following paragraphs, a Carrier may increase its rates through Indexing, Commission Approval, or Limited Temporary Surcharge.

Indexing. A Carrier may file a revised tariff no later than September 1 of each year reflecting a rate increase that is tied to the indexed annual percentage rate increase last published

by the FERC.<sup>2</sup> Staff may accept tariffs reflecting increased rates based on indexing that are submitted after September 1 for good cause shown. The transmittal letter shall confirm that notification of the rate change has been provided to the Carrier's current shippers affected by the rate increase and describe the form of notification provided to such shippers. Carriers that do not have a FERC-approved tariff may also use this indexing method.

Except for good cause, and Staff approval, a Carrier who implements a rate increase or temporary surcharge pursuant to Commission Approval, as stated in the next paragraph, shall not, for a period of twelve months following implementation of that rate increase or temporary surcharge, submit a revised tariff for another increase on the same service based on indexing.

Commission Approval. A Carrier may request Commission approval of a rate increase or temporary surcharge by submitting a written letter request. The request shall provide the amount of the requested rate increase or temporary surcharge, a justification for the increase or surcharge, a proposed revised tariff, and confirmation that the Carrier's current shippers affected by the rate increase or temporary surcharge have been notified of the request with a description of the form of notification provided to shippers.

Limited Temporary Surcharge. A Carrier may file a revised tariff reflecting a temporary surcharge for the purpose of amortizing capital expenditures associated with the pipeline. The transmittal letter shall include: 1) an explanation of the need for the capital expenditure and its amortization, and 2) confirmation that the temporary surcharge has been approved by the Carrier's current shippers affected by the surcharge.

## Section 5. Transfer of a Pipeline Segment

### A) Notice Only

Under the circumstances stated below, a Carrier shall provide written notice to the Commission prior to selling, merging, consolidating, or otherwise transferring a pipeline segment which has rates and services subject to the jurisdiction of the Commission. The notice shall be a joint filing of the transferor and transferee and provide a summary of the pipeline segment transfer transaction.

If the transferee will ship its own product only, the notice shall include:

- 1) For a pipeline segment with a tariff on file with the Commission, a statement that the transferor agrees to follow the provisions of this General Order for cancelling its tariff.

---

<sup>2</sup> The FERC indexing rate is currently adjusted annually based on changes in the Producer Price Index for Finished Goods ("PPI-FG").

- 2) For a pipeline segment with a tariff exception, a statement that the transferor agrees to notify the current shippers affected by the transfer within 30 days of the transaction.

If the transferee is a Carrier, or will become a Carrier as a result of the transfer, the notice shall include:

- 1) A statement that the transferee will submit a registration with the Commission and follow the provisions of this General Order.
- 2) For a pipeline segment with a tariff on file with the Commission,
  - i) a statement that the transferee adopts the rates in the transferor's tariff and agrees to file its own tariff, or statement that the transferee does not adopt the rates and a copy of a new tariff with documentation showing approval of the new tariff by current shippers, and
  - ii) a statement that the transferor agrees to follow the provisions of this General Order for cancelling its tariff.
- 3) For a pipeline segment with a tariff exception, i) a statement that the transferee adopts the same set of circumstances and provisions in the tariff exception as previously approved by the Executive Secretary, and ii) a statement that the transferor agrees to notify the current shippers affected by the transfer within 30 days of the transaction.

#### *B) Staff or Executive Secretary Approval Required*

Under the circumstances stated below, a Carrier shall provide a written request prior to selling, merging, consolidating, or otherwise transferring a pipeline segment which has rates and services subject to the jurisdiction of the Commission. The request shall be a joint filing of the transferor and transferee and provide a summary of the pipeline segment transfer transaction.

If the transferee is a Carrier, or will become a Carrier as a result of the transfer, who does not meet the requirements for Notice Only transfer as stated above, then the transferor and transferee must obtain Staff approval prior to the transfer of a pipeline segment operating pursuant to a tariff and must obtain Executive Secretary approval prior to the transfer of a pipeline segment operating pursuant to a tariff exception.

A Carrier is not required to meet the requirements of General Orders dated June 16, 1953; October 28, 1968; March 18, 1994; and February 4, 2013.

#### Section 6. Assumptions of Liability

A Carrier is not required to meet the requirements of the General Orders dated June 5, 1996 and November 13, 1996 regarding issuance of securities and the assumption of liabilities or obligations by public utilities.

#### Section 7. Annual Reports

Each year, within 120 days after the close of that year's business, a Carrier shall submit an annual report in the form provided by the Commission. The report shall include capital investment, depreciation, operating expenses, operating revenues, volume transported, pipeline

segment acquisitions and dispositions, changes to name or ownership, year-end date, and shall be sworn to by the officer having personal knowledge of the facts set forth in the report.

Section 8. Shipper Complaints

The Commission will consider petitions filed by shippers in the manner provided by La. R.S. 45:251 et seq.

Section 9. Fees

A Carrier shall submit the following fees with filings:

Registration	\$200.00
Application for rate increase - indexing or limited temporary surcharge	\$ 50.00
Application for rate increase - non-indexing	\$300.00
Notice of name change	\$150.00
Transfer of assets - Notice Only	\$150.00
Transfer of assets - Approval Required	\$250.00
Late annual report	\$500.00
Citation Fee	\$ 25.00

Section 10. Fines

No Carrier shall willfully violate any provision of this General Order, or fail to perform any duty imposed by this General Order. Upon being found guilty, a Carrier who violates this General Order shall be fined no less than \$100 and no more than \$5,000 for each offense.

*“This space is intentionally left blank.”*

***Commission Action***

On motion of Commissioner Campbell, seconded by Commissioner Skrmetta, with Commissioner Holloway and Commissioner Boissiere concurring and Commissioner Angelle temporarily absent, the Commission voted to approve Staff's recommendation and adopt the proposed general order.

**IT IS THEREFORE ORDERED:**

This General Order is effective immediately.

**BY ORDER OF THE COMMISSION  
BATON ROUGE, LOUISIANA**

March 9, 2015

***/S/ CLYDE C. HOLLOWAY***  
\_\_\_\_\_  
**DISTRICT IV  
CHAIRMAN CLYDE C. HOLLOWAY**

***S/ SCOTT A. ANGELLE***  
\_\_\_\_\_  
**DISTRICT II  
VICE CHAIRMAN SCOTT A. ANGELLE**

***/S/ FOSTER L. CAMPBELL***  
\_\_\_\_\_  
**DISTRICT V  
COMMISSIONER FOSTER L. CAMPBELL**

***/S/ LAMBERT C. BOISSIERE***  
\_\_\_\_\_  
**DISTRICT III  
COMMISSIONER LAMBERT C. BOISSIERE, III**

  
\_\_\_\_\_  
**EVE KAHAO GONZALEZ  
SECRETARY**

***/S/ ERIC F. SKRMETTA***  
\_\_\_\_\_  
**DISTRICT I  
COMMISSIONER ERIC F. SKRMETTA**