



Colonial Pipeline Company

Telephone 678-762-2502
Email: woody@colpipe.com
Fax 678-762-2883

OIL TARIFF FILING

April 29, 2016

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

Dear Ms. Bose:

Re: FERC Tariff No. 99.22.0

Enclosed for filing, pursuant to the Interstate Commerce Act (“ICA”) and the Commission’s regulations, is the following tariff issued by Colonial Pipeline Company (“Colonial”):

FERC Tariff No. 99.22.0, cancelling FERC Tariff No. 99.21.1 (Docket No. IS16-141-001).

This tariff bear an issuance date of April 29, 2016 and an effective date of June 1, 2016.

Explanation of Tariff Filing

FERC Tariff No. 99.22.0 (the “Tariff”) adds a footnote to clarify the treatment of “Surplus” and “Product” generated on the Colonial system. Surplus and Product are excess volumes that are generated on the system through Colonial’s operations that do not correlate to shippers’ ticketed volumes. Surplus is the difference by product between system-wide physical volumes and book inventory, which occurs as a natural byproduct of system operations and results in a gain or loss adjustment. *See* Tariff No. 98.23.0 (Rules and Regulations) at Item 75, Docket No. IS16-176-000 (March 13, 2016). Because Surplus is created as the product moves through the system, it does not have a specific origin point. Product (also referred to as “swell”) is generated on the system as the result of non-jurisdictional blending. When Product is generated at locations other than an origin point at which Petroleum Products as defined in Colonial’s tariff may enter the system, an origin point must be assigned. Colonial’s currently effective Tariff No. 99.21.1 does that for Product generated on Line 17, which is currently the only location where Product is generated at a non-origin point. *See* FERC Tariff No. 99.21.1 at Item 900 n.7 (“Transportation charges under this tariff will be collected on total volume of blended product delivered at final destination). Because the currently effective tariff language is limited in applicability to certain routes and does not cover Surplus, the instant Tariff has been revised to replace the existing footnote with an overarching footnote to the Table of Rates (“Footnote 8”) that provides for consistent treatment of all Surplus and Product generated downstream of points of origin for transportation purposes. Specifically, Footnote 8 provides that “All Surplus or product, which is generated on the system downstream of Collins, Mississippi, delivered to a Shipper shall be charged a Houston basis transportation charge.”¹

In addition, Footnote 8 clarifies that line history for purposes of capacity allocation will not be earned on Lines 1 & 2 for Surplus or Product that is generated downstream of Collins, Mississippi. Colonial’s Rules and Regulations tariff provides that a Regular Shipper’s history is calculated based on its volumes shipped on the

¹ FERC reporting will be consistent with the rate treatment proposed herein.

constrained segment during the base period. *See* Tariff No. 98.23.0 (Rules and Regulations) at Item 31. Currently, the constrained portion of Colonial's mainline system (Lines 1 & 2) occurs at Collins, Mississippi, such that Regular Shippers earn history for any volumes that move through the constrained segment (*i.e.*, originate upstream of Collins and are delivered downstream of Collins). Footnote 8 clarifies that for Surplus or Product that is generated downstream of points of origin, history will not be calculated based on a deemed Houston origination. In other words, line history will not be earned on Lines 1 & 2 for Surplus or Product, which is actually generated downstream of the constrained point at Collins and thus does not move through the constrained segment, notwithstanding the assigned Houston origination point for purposes of calculating transportation charges.

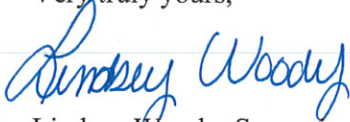
These changes will provide clarity and consistency to the process for charging shippers and calculating history for excess volumes that are generated in-line on the system other than at specified points of origin. All shippers will be treated equally by establishing a uniform Houston basis for calculating transportation charges on Surplus and Product generated downstream of origin points and delivered to shippers, and for assigning line history relating to such volumes.

Notification

Pursuant to 18 C.F.R. § 343.3, Colonial requests that any protests or complaints related to these publications be transmitted via facsimile to the attention of Meredith Lackey at (678) 762-2883 and confirmed by her or her administrative assistant at (678) 762-2322.

I hereby certify that I have on or before this date distributed by agreed-upon means, one copy of the publication listed hereon to all subscribers thereto. Questions regarding this tariff filing should be directed to Lindsey Woody at (678) 762-2502.

Very truly yours,



Lindsey Woody, Supervisor
FERC and Regulatory Analysis