



**Oil Pipeline Filing**  
**SFPP, L.P.**  
May 31, 2019

Ms. Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street NE  
Washington DC 20426

Dear Secretary Bose:

In accordance with the requirements of the Interstate Commerce Act (ICA) and the Rules and Regulations of the Federal Energy Regulatory Commission (FERC), SFPP, L.P. (SFPP) submits for filing the following tariff, which is scheduled to become effective July 1, 2019:

- FERC Tariff No. 194.17.0, Rules and Regulations (cancels FERC No. 194.16.0)

SFPP makes this filing to revise Item 50 (Proration of Pipeline Capacity) of SFPP's Rules and Regulations, F.E.R.C. Tariff No. 194.17.0. Specifically, SFPP is updating Item 50 to set forth SFPP's updated proration policy that will become effective July 1, 2019. Note ① on page 10 of F.E.R.C. Tariff No. 194.17.0 provides instructions on how to locate SFPP policies referenced in this tariff, including the revised Proration Policy, on its website ([www.kindermorgan.com](http://www.kindermorgan.com)). For ease of reference, SFPP is including a revised copy of its Proration Policy as Attachment A to this filing.

## **Background**

On May 23, 2019, SFPP commenced a thirty-one day open season ("Open Season") to provide 7,500 barrels per day (bpd) of expansion capacity on its system ("Expansion Capacity"). The Open Season is currently scheduled to close on June 24, 2019. Through the Open Season process, SFPP is offering potential shippers the opportunity to enter into a Transportation Services Agreement with SFPP ("TSA") and to make a minimum volume commitment therein for transportation on the Expansion Capacity, which extends from El Paso, TX to SFPP's Annex Terminal in Tucson, AZ. Potential shippers may only make a commitment in the TSA for the transportation of Mexican grade gasoline and diesel on the Expansion Capacity because the Annex Terminal in Tucson, AZ will be only be able to receive Mexican Grade gasoline and diesel. In exchange for entering into a TSA and agreeing to certain conditions, including paying a premium rate as compared to SFPP's rate that is applicable to uncommitted shippers that make a similar movement ("Committed Rate"), shippers entering into a TSA ("Committed Shippers") will receive firm capacity on the Expansion Capacity.

SFPP is pursuing the Expansion Capacity in response to interest from current and potential shippers regarding the export market of Mexican grade gasoline and diesel. Shippers have indicated that recent regulatory changes in Mexico have presented a growing demand for gasoline and diesel imports. In an effort to satisfy this growing market demand, potential Committed Shippers

requested that the Expansion Capacity be available as soon as possible. Potential Committed Shippers have expressed that they are interested in transporting Mexican grade gasoline and diesel from SFPP's Annex Terminal in Tucson by truck to the Mexican market.

In response to these shipper requests, SFPP is working expeditiously to make the changes to its system that are needed to create the Expansion Capacity, and it expects that the Expansion Capacity will become available beginning July 1, 2019 for Mexican grade gasoline movements and in early 2020 for movements of Mexican grade diesel.

### **Summary of Changes to Proration Policy**

SFPP is submitting this tariff filing to update its proration policy so that Committed Shippers will be able to make movements on the Expansion Capacity beginning July 1, 2019. SFPP recognizes that the Open Season for the Expansion Capacity has not yet closed, but given that it is scheduled to close on June 24, 2019 and the Expansion Capacity is expected to become available July 1, 2019, it is necessary for SFPP to submit the changes to the proration policy now so that its shippers will have thirty days' notice of the proposed changes.

The changes in the Proration Policy relate only to the addition of Committed Shippers with respect to the Expansion Capacity, and do not affect the rights of existing shippers with respect to existing capacity on the system (that is, SFPP's Base Capacity). All the proposed changes to the Rules and Regulations and Proration Policy are consistent with the communications to prospective shippers during the open season process. In addition, SFPP is not making any other substantive changes to the proration policy.

All rates in FE.RC Tariff No. 194.17.0 are unchanged from the prior tariff. The proposed revisions will have no impact upon SFPP revenues or result in any change in existing SFPP rates.

### **Upcoming Filings**

Since the Open Season is scheduled to conclude on June 24, 2019, SFPP is not able to file the Committed Rate or a Petition for Declaratory Order ("PDO") regarding the Expansion Capacity with FERC at this time. However, following the conclusion of a successful Open Season, SFPP intends to file the initial Committed Rate to become effective on July 1, 2019, which filing will be submitted on short notice and will be supported by the agreement of an unaffiliated TSA shipper who has agreed to the Committed Rate. In addition, following the Open Season but prior to July 1, 2019, SFPP intends to file a PDO with FERC regarding the Open Season for the Expansion Capacity and the related TSAs.

**Conclusion**

I hereby certify that copies of this filing have been sent, on or before this date, by means of transmission agreed upon, to all subscribers on the SFPP subscriber list.

In accordance with 18 CFR § 343.3(a), SFPP hereby requests that any protest of the attached tariff be emailed to SFPP in care of the undersigned at [Tariff\\_Group@kindermorgan.com](mailto:Tariff_Group@kindermorgan.com).

If you have any questions regarding this tariff filing, please contact me at (713) 420-4687.

Sincerely,

A handwritten signature in black ink that reads "Bruce Reed". The signature is written in a cursive style with a large, looped "R" and a distinct "Reed" at the end.

Bruce Reed  
Director-Tariffs and Regulatory Affairs