

BRACEWELL

November 26, 2024

Oil Pipeline Tariff Filing

Ms. Debbie-Anne A. Reese
Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington, D.C. 20426

Re: *Paline Pipeline Company, LLC*, Docket No. IS25-____-000
Volume Incentive Rate Program

Dear Secretary Reese:

In accordance with the requirements of the Interstate Commerce Act (“ICA”) and the Rules and Regulations of the Federal Energy Regulatory Commission (“FERC” or the “Commission”), in particular Section 342.3, 18 C.F.R. § 342.3 (2024) (Indexing), and Section 341.5, 18 C.F.R. § 341.5 (2024) (Cancellation of tariffs), Paline Pipeline Company, LLC (“Paline”) submits for filing the following tariff, to be effective January 1, 2025, on thirty-six days’ notice:

FERC No. 2.21.0, canceling FERC No. 2.20.0 (Docket No. IS25-50-000)

Paline is hereby proposing to cancel, on thirty-six days’ notice, its existing temporary volume incentive rates for service from Hanks Station in Kilgore, Texas and Longview, Texas to Jefferson Southern Star Pipeline LLC Interconnection in Beaumont, Texas (“Jefferson Interconnection”). Paline is also proposing to add a new volume incentive rate for transportation service from Longview and Hanks Station to the Jefferson Interconnection, which will be available to any shipper who executes a transportation services agreement with Paline providing for a minimum volume commitment of at least 40,000 Barrels per Day (on an average basis per month) during the period between December 2, 2024 – January 31, 2025. A shipper who signs a transportation services agreement and who does not transport the required monthly minimum volume will pay a deficiency payment to Paline under the terms of the transportation services agreement.

The opportunity to sign a transportation services agreement and thereby become eligible for the volume incentive rate is open to all interested shippers for the period set forth above, and is reflected in the proposed public tariff filing. No special rights in the event of prorationing, or any deemed (as opposed to earned) shipping history, come with signing a transportation services agreement; rather, any shipper that executes such an agreement will be entitled to the applicable volume incentive rate for qualifying volumes

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and will be treated like any other shipper under the applicable rules tariff in the event that prorating is necessary.

The volume incentive rate of \$0.4174 per barrel is proposed in accordance with Section 342.3(a) of the Commission's regulations, which permits a carrier to change a rate to a level which does not exceed the then-applicable ceiling level.¹ The proposed volume incentive rate is less than the current ceiling level for the movement, which, as reflected in Paline's tariff filing made on October 17, 2024, is currently \$2.0738 per barrel.²

Pursuant to 18 C.F.R. § 343.3 (Filing of Protests and Responses), Paline requests that any protest of this filing be emailed at the time the protest is filed to george.fatula@bracewell.com.

I hereby certify that on or before this date one copy of the publication listed herein and this transmittal has been sent to each subscriber thereto by means of transmission agreed upon in writing by the subscriber. Any communications concerning this filing should be addressed to the undersigned at the email address or telephone number indicated below.

Respectfully submitted,

/s/ George D. Fatula

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Enclosure

¹ 18 C.F.R. § 342.3(a) ("A rate charged by a carrier may be changed, at any time, to a level which does not exceed the ceiling level established by paragraph (d) of this section, upon compliance with the applicable filing and notice requirements and with paragraph (b) of this section.").

² See Transmittal Letter of Paline Pipeline Company, LLC, Filing of FERC No. 2.20.0, Docket No. IS25-50-000, Accession No. 20241017-5126 (filed October 17, 2024).