



May 25, 2017

Transmittal Letter No. 34

Kim Christiansen, Executive Director
Kansas Corporation Commission
1500 S.W. Arrowhead Road
Topeka, KS 66604-4027

17-MGPP-529-TAR

Dear Ms. Christiansen,

Magellan Pipeline Company, L.P. ("MPL") is filing with the Kansas Corporation Commission, the tariff K.C.C. No. 37 issued May 25, 2017 with a requested effective date of July 1, 2017, in order to apply annual rate indexing to coincide with concurrent filings with the Federal Energy Regulatory Commission and various other state commissions. Attached is the *Notice of Annual Change In The Producer Price Index For Finished Goods* from the Federal Energy Regulatory Commission. Below is a summary of all proposed changes pursuant to filing requirements in K.A.R. 80-10-2.

K.C.C. No. 37 contains local and volume incentive rates that have been increased by the F.E.R.C. Annual Index of 0.1985%. All volume incentive rates are below the corresponding base rates. All proposed rate changes are the same percentage changes that MPL has issued in the associated F.E.R.C. Nos. 160.23.0 and 170.20.0 under Docket Nos. IS17-289-000 and IS17-296-000.

The Table of Contents has wording changes to reflect the current page numbers for all items. Item 45, Proration of Pipeline Capacity and Item 80, Withdrawals from Carrier's Terminal Facilities, removes the reference to *deliveries at offline facilities* from both Items to clarify the calculation of an Inventory Owner's minimum and maximum inventory balance requirements. Item 165, Duty of Carrier, contains wording changes to clarify and provide further description of the intent of this provision.

Rates in Item 80, Withdrawals from Carrier's Terminal Facilities, Item 140, Filtration and Special Testing Services, Item 145, Special Handling Services and Item 147, High RVP Unleaded Gasoline have been increased by the index of 0.1985%. These fees have been changed by the same changes that MPL issued in its Central Rules and Regulations tariff, F.E.R.C. No. 157.16.0 and are at the maximum approved level.

All rates in Item 200 have been increased by the F.E.R.C. Annual Index of 0.1985%.

Volume Incentive programs, Item Nos. 265 and 290 contain wording changes to reflect the current associated F.E.R.C. and O.C.C. (if applicable) tariff numbers. All Incentive Rates in Items 266, 291 and 292 have been increased by the F.E.R.C. Annual Index of 0.1985%.

The estimated amount of dollars of the proposed aggregate annual increase which this filing proposes is an increase of approximately \$61,500 based on 2016 annual Kansas intrastate movements with the proposed rate changes described herein. Additionally, MPL has attached a copy of a system diagram map per K.A.R. 82-10-2 (E).

The Magellan Pipeline Company, L.P. FERC Form 6 Annual 2016 Report is on file with the commission.

MPL hereby respectfully requests that any protests, complaints, suspensions, motions, or orders which in any way affect this publication, be transmitted via facsimile concurrent with their filing/issuance to Tina R. Granger at (918) 574-7495, confirmed at the telephone number shown below.

MPL has served notification of the tariff issuance on or before the issuance date to all shippers that MPL serves in Kansas who have asked to be on the tariff subscription list. Additionally, MPL will make all tariff documents available on our web site at: <http://www.magellanlp.com/tariffs/index.aspx>.

Respectfully,

A handwritten signature in black ink, appearing to read "Tina R. Granger". The signature is fluid and cursive, with the first name "Tina" being more prominent.

Tina R. Granger
Manager, Pipeline Tariffs
Magellan Pipeline Company, L.P.
One Williams Center
Tulsa, OK 74172
(918) 574-7415
Enclosures

E-FILED

Magellan Pipeline Company, L.P. Customer Notice of Tariff Change

To: All intrastate Shippers on Magellan Pipeline Company, L.P. in the State of Kansas

Re: K.C.C. No. 37

On May 25, 2017, Magellan Pipeline Company, L.P. (“MPL”) filed an application with the Kansas Corporation Commission requesting authorization for a tariff change in Item 200 to increase all rates by the annual F.E.R.C. Index of 0.1985%.

K.C.C. No. 37 contains local and volume incentive rates that have been increased by the F.E.R.C. Annual Index of 0.1985%. All volume incentive rates have been increased to correspond to the base rate increases, and all volume incentive rates remain below the corresponding base rates. The proposed rate changes are the same percentage changes that MPL has issued in the associated F.E.R.C. Nos. 160.23.0 and 170.20.0

Item 80, Withdrawals from Carrier’s Terminal Facilities, Item 140, Filtration and Special Testing Services, Item 145 Special Handling Services and Item 147, High RVP Unleaded Gasoline, have been increased by the index. All these fee changes are the same changes made in the MPL Central Rules and Regulations tariff, F.E.R.C. No. 157.16.0.

Item 45, Proration of Pipeline Capacity and Item 80, Withdrawals from Carrier’s Terminal Facilities, clarifies the calculation of an Inventory Owner’s minimum and maximum inventory balance requirements by removing the reference to deliveries at offline facilities in both items. Item 165, Duty of Carrier, contains wording changes to clarify and provide further description of the intent of this provision.

Other changes to this tariff include wording changes in the Table of Contents to revise page numbers and wording changes for the volume incentive programs, Item Nos. 265 and 290 to reflect current associated F.E.R.C. and O.C.C. (if applicable) tariff numbers.

The application may be acted upon within thirty days of the filing. If you would like to protest this filing, you should do so within the thirty-day period. You may file a protest in one of three manners:

- You may intervene in the docket by having an attorney submit a petition for intervention in accordance with K.A.R. 82-1-225 and filing a written protest; or
- You may send an informal protest to the Commission without intervention by mailing it to the attention of Leo Haynes, Chief of Pipeline Safety, Kansas Corporation Commission, 1500 SW Arrowhead Dr. Topeka, KS 66604; or
- You may telephone Leo Haynos, Chief of Pipeline Safety at 785-271-3278.

If you have any question about this tariff filing, you may contact Tina Granger at Magellan at 918-574-7415 or call Leo Haynos at the Commission at the telephone number listed above.

Change Page –K.C.C. No. 37

- Table of Contents – Wording changes to revise page numbers for all Items.
- Item 45 – Removed inclusion of *deliveries to offline facilities* in the maximum inventory balance calculation.
- Item 80 – Removed the inclusion of *offline deliveries* in the minimum inventory balance calculation and increased Minimum Allocation fee by F.E.R.C. annual index of 0.1985%.
- Item 140 – Increased Commercial Jet Fuel Filtration fee by F.E.R.C. annual index of 0.1985%.
- Item 145 – Increased Special Handling Services fees by F.E.R.C. annual index of 0.1985%.
- Item 147 – Increased High RVP fees by F.E.R.C. annual index of 0.1985%.
- Item 165 - contains wording changes to clarify and provide further description of the intent of this provision.
- Item 200 – All rates increased by F.E.R.C. annual index of 0.1985%. The proposed rate changes are the same rate changes that MPL has issued in the associated F.E.R.C. No. 160.23.0.
- Item 265 - modified associated F.E.R.C. tariff number references.
- Item 266 – Rate increased by 0.1985% to correspond to the base rate increase. Volume incentive rate is below the corresponding base rate. The proposed rate change is the same rate change that MPL has issued in the associated F.E.R.C. No. 170.20.0, Item 166.
- Item 290 - modified associated F.E.R.C. tariff number references.
- Item 291 and 292 – Rates increased by 0.1985% to correspond to the base rate increases. All volume incentive rates are below the corresponding base rates. The proposed rate changes are the same rate changes that MPL has issued in the associated F.E.R.C. No. 170.20.0, Items 181 and 182.

(Items 80, 140, 145 and 147 fee changes are associated with the same changes to the MPL Central Rules and Regulations tariff, F.E.R.C. No. 157.16.0)

See supporting schedule which shows the *Notice Of Annual Change In The Producer Price Index For Finished Goods* from the Federal Energy Regulatory Commission which provides the multiplier for the rate calculation.

VERIFICATION

State of Oklahoma)
) SS.
County of Tulsa)

Stanley W. Rogers, Vice President of Magellan Pipeline GP, LLC, the General Partner of Magellan Pipeline Company, L.P., being first duly sworn, deposes and says that he is the Stanley W. Rogers referred to in the foregoing document before the State Corporation Commission of the State of Kansas and the statements therein were prepared by him or under his direction and are true and correct to the best of his knowledge and belief.



Stanley W. Rogers

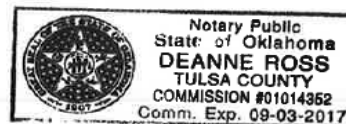
Subscribed and sworn to before me this 25th day of May 2017.



Notary Public

My Commission Expires:

9/3/17



AFFIDAVIT

County of Tulsa)
) ss:
State of Oklahoma)

I, Tina R. Granger, Manager, Business Analysis & Tariffs of Magellan Pipeline Company, L.P., being first duly sworn, depose and say:

The rates in K.C.C. No. 37, Item Nos. 80, 140, 145, 147 and 200 were increased by the F.E.R.C Annual Index of 0.1985% applied to the prior approved KCC rate.



Tina R. Granger
Manager Business Analysis and Tariffs
Magellan Pipeline Company, L.P.

Acknowledgment

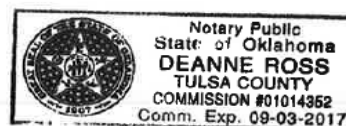
County of Tulsa)
) ss:
State of Oklahoma)

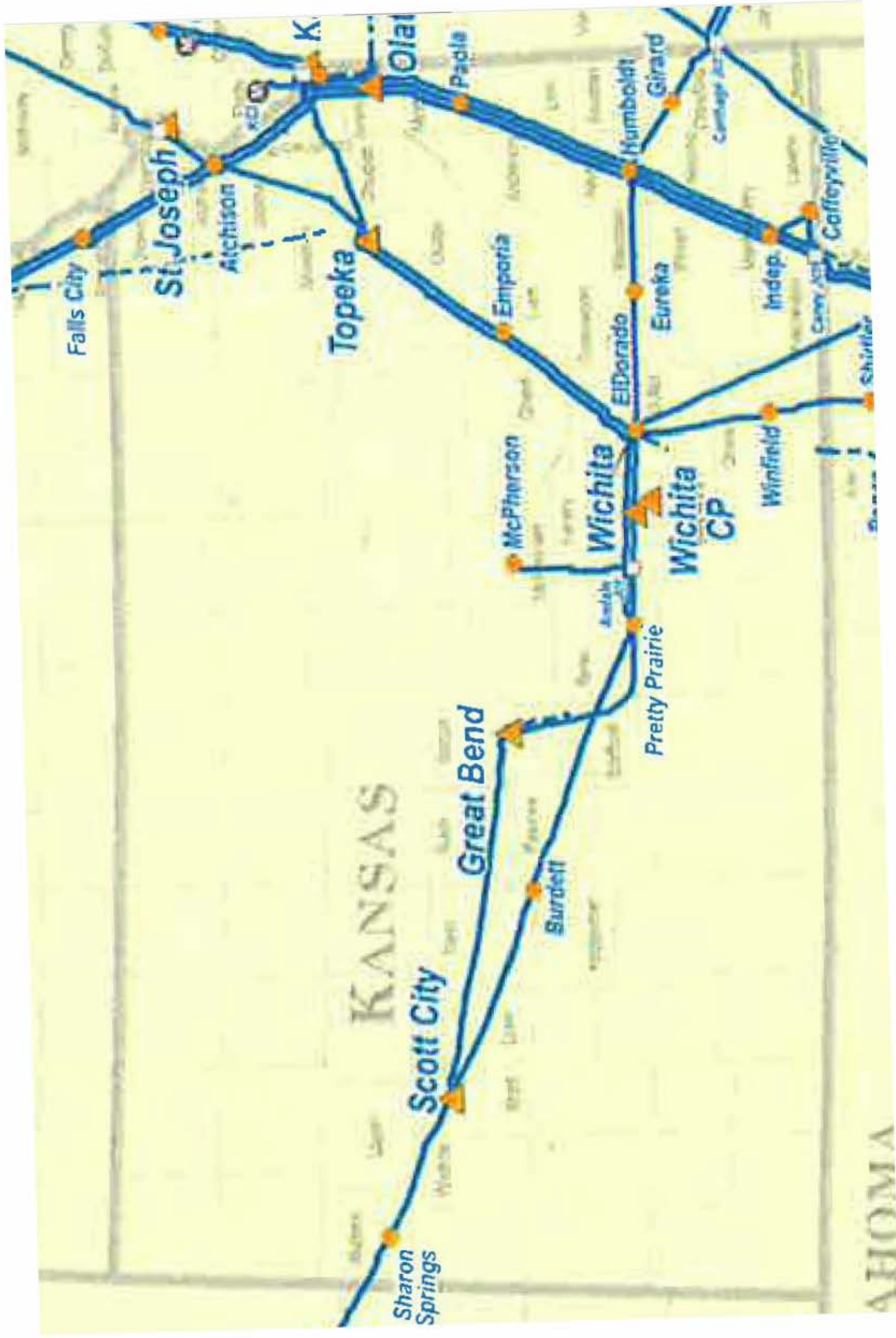
Personally came before me this 25th day of May 2017, Tina R. Granger, Manager, Business Analysis & Tariffs of Magellan Pipeline Company, L.P., to me known to be the person who executed the foregoing instrument, and to me known to be such officer of said Corporation, and acknowledged that she executed the foregoing instrument as an officer and as the act of said Corporation, by its authority.


Notary Public

My Commission Expires:

9/3/17





UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Revisions to Oil Pipeline Regulations
Pursuant to the Energy Policy Act of 1992

Docket No. RM93-11-000

NOTICE OF ANNUAL CHANGE
IN THE PRODUCER PRICE INDEX FOR FINISHED GOODS

(May 12, 2017)

The Commission's regulations include a methodology for oil pipelines to change their rates through use of an index system that establishes ceiling levels for such rates. The Commission bases the index system, found at 18 CFR § 342.3, on the annual change in the Producer Price Index for Finished Goods (PPI-FG), plus one point two three percent (PPI-FG + 1.23). The Commission determined in an *Order Establishing Index Level*,¹ issued December 17, 2015, that PPI-FG + 1.23 is the appropriate oil pricing index factor for pipelines to use for the five-year period commencing July 1, 2016.

The regulations provide that the Commission will publish annually, an index figure reflecting the final change in the PPI-FG, after the Bureau of Labor Statistics publishes the final PPI-FG in May of each calendar year. The annual average PPI-FG index figures were 193.9 for 2015 and 191.9 for 2016.² Thus, the percent change (expressed as a decimal) in the annual average PPI-FG from 2015 to 2016, plus 1.23 percent, is positive 0.001985.³ Oil pipelines must multiply their July 1, 2016, through

¹ 153 FERC ¶ 61,312 at P 52 (2015).

² Bureau of Labor Statistics (BLS) publishes the final figure in mid-May of each year. This figure is publicly available from the Division of Industrial Prices and Price Indexes of the BLS, at 202-691-7705, and in print in August in Table 1 of the annual data supplement to the BLS publication Producer Price Indexes via the Internet at <http://www.bls.gov/ppi/home.htm>. To obtain the BLS data, scroll down to "PPI Databases" and click on "Top Picks" of the Commodity Data including "headline" FD-ID indexes (Producer Price Index – PPI). At the next screen, under the heading "PPI Commodity Data," select the box, "Finished goods – WPUFD49207," then scroll to the bottom of this screen and click on Retrieve data.

³ $[191.9-193.9] / 193.9 = -0.010315 + 0.0123 = +0.001985$

June 30, 2017, index ceiling levels by positive 1.001985⁴ to compute their index ceiling levels for July 1, 2017, through June 30, 2018, in accordance with 18 CFR § 342.3(d). For guidance in calculating the ceiling levels for each 12 month period beginning January 1, 1995,⁵ see *Explorer Pipeline Company*, 71 FERC ¶ 61,416 at n.6 (1995).

In addition to publishing the full text of this Notice in the *Federal Register*, the Commission provides all interested persons an opportunity to view and/or print this Notice via the Internet through FERC's Home Page (<http://www.ferc.gov>) and in FERC's Public Reference Room during normal business hours (8:30 a.m. to 5:00 p.m. Eastern time) at 888 First Street, NE, Room 2A, Washington, DC 20426. The full text of this Notice is available on FERC's Home Page at the eLibrary link. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field and follow other directions on the search page.

User assistance is available for eLibrary and other aspects of FERC's website during normal business hours. For assistance, please contact the Commission's Online Support at 1-866-208-3676 (toll free) or 202-502-6652 (e-mail at FERCOnlineSupport@ferc.gov), or the Public Reference Room at 202-502-8371, TTY 202-502-8659. E-Mail the Public Reference Room at public.referenceroom@ferc.gov.

Kimberly D. Bose,
Secretary.

⁴ $1 + 0.001985 = 1.001985$

⁵ For a listing of all prior multipliers issued by the Commission, see the Commission's website, <http://www.ferc.gov/industries/oil/gen-info/pipeline-index.asp>.