

THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

JAN 3 2012

by  
State Corporation Commission  
of Kansas

In the Matter of the Complaint of Coffeyville )  
Resources Refining & Marketing, LLC against )  
Mid-America Pipeline Company, LLC. )

Docket No. 12-MDAP-488-COM

**COMPLAINT OF COFFEYVILLE RESOURCES REFINING & MARKETING, LLC**  
**("CRRM") AGAINST MID-AMERICA PIPELINE COMPANY, LLC ("MAPL") FOR**  
**VIOLATION OF ORDERS OF THE KANSAS CORPORATION COMMISSION**  
**("KCC"), FOR CHARGING RATES AND CONDITIONS WITHOUT KCC APPROVAL,**  
**AND FOR AN ORDER REQUIRING MAPL TO COMPLY WITH**  
**KCC ORDERS, AND FOR EMERGENCY HEARING OF COMPLAINT**

COMES NOW CRRM and files this Complaint against MAPL, pursuant to K.A.R. § 82-1-220, and alleges MAPL has knowingly and intentionally violated the KCC Order (Order dated September 30, 2011, in KCC Docket No. 12-MDAP-068-RTS), Kansas Statutes, the MAPL KCC Tariff, and KCC Regulations, and seeks Orders from the KCC thereto, and additional KCC enforcement actions, that prohibit MAPL from violating KCC Orders, Kansas Filed Tariffs, Kansas statutes and regulations that have the effect of increasing the KCC ordered Rates of September 30, 2011 for MAPL's Outbound Pipeline, from \$66,666 per month to \$230,306.95 in October and \$586,271.57 in November 2011 based on the following:

- (A) K.S.A. § 66-117 – Change of Rates in violation of Kansas Statute;
- (B) K.S.A. § 66-137 – Intentional making of false entry of the Accounts and Records of a Common Carrier or Public Utility;
- (C) K.S.A. § 66-109 – Unlawful Variation from KCC Schedule of Rates;
- (D) K.S.A. 66-138 – Penalties for Violation of Kansas Public Utility Act;
- (E) K.S.A. § 66-139 – Enforcement of the Kansas Public Utility Act; and

(F) K.S.A. § 66-140 – Cumulative Rights and Remedies Under KCC Orders, Regulations, Kansas Statutes, Kansas Common Law, that may be available to CRRM and/or the KCC.

1. Stated most directly, MAPL has intentionally miscategorized transportation of petroleum products by CRRM within the State of Kansas, as “Interstate – Non Kansas transportation.” The sole purpose of this intentional miscategorization is to extract from CRRM a transportation rate of \$3.41 per barrel - - a Rate expressly denied by the KCC in its Order dated September 30, 2011, in KCC Docket No. 12-MDAP-068-RTS. (“September 30, 2011 Order”) (**Exhibit A**). MAPL has no basis whatsoever for the described miscategorization. Indeed, all documentation and evidence in this matter, is contrary to the MAPL position.

2. In connection with such intentional miscategorization, MAPL created an intentional false entry into the books and records of MAPL (K.S.A. § 66-137), by issuing an Invoice to CRRM with an intentional false entry in the amount of \$749,912.52 (**Exhibit B**).

3. This Invoice is contrasted to the existing Rate of \$66,666 per month, to be “trued up” to that Rate ordered by the KCC in KCC Docket No. 12-MDAP-068-RTS.

#### **FACTUAL BACKGROUND**

4. On July 25, 2011, MAPL filed in KCC Docket No. 12-MDAP-068-RTS, its “Application, Motion for Temporary Waiver of Filing Requirement, and Request for Interim Rates Subject to Refund.” (“Application”)(**Exhibit C**). The Application was Verified by J.M. Collingsworth, President of MAPL (**Exhibit D**). As a part of its Application, MAPL sought an increase of 930% (as calculated by MAPL), to a level of \$3.41 per barrel for transportation of petroleum products on the MAPL “Outbound Pipeline” from Coffeyville to El Dorado, Kansas.

5. As part of the Application, MAPL attached, the Agreement of Capacity Lease and Operating Agreement.

6. The Pipeline Capacity Lease and Operating Agreement included: (a) an Amendment made and entered into September 20, 1999, but made effective March 30, 1998; and (b) an Amendment entered into as of September 1, 2005. The Pipeline Capacity Lease and Operating Agreement, as Amended shall be referred to herein as the “Amended Pipeline Lease.” **(Exhibit E)**

7. On September 6, 2011, CRRM filed its Reply in KCC Docket No. 12-MDAP-068-RTS. Therein CRRM stated that the Amended Pipeline Lease was the lawful Rate for the MAPL Outbound Pipeline, and remained effective until the KCC ordered a different Rate. CRRM further stated that Interim Rates for MAPL were not appropriately ordered by the KCC in that the record evidence did not support Interim Rates as proposed by MAPL (i.e. \$3.41 per barrel on the Outbound Pipeline).

8. On September 19, 2011, the KCC issued its’ “Order Denying MAPL’s Request for Interim Relief” in KCC Docket No. 12-MDAP-068-RTS. **(Exhibit F)**

9. On September 29, 2011, the KCC held a Hearing at the request of MAPL, to Reconsider the KCC’s Order denying Interim Rates.

10. The Hearing of the KCC was extensive (82 pages of Transcript), and the KCC heard CRRM and MAPL on the issues, among others, of:

(a) Intrastate (Kansas) deliveries from Outbound Pipeline (Tr. pp. 38-39; p. 44; p. 47); and

(b) Interim Rates and the “true-up” thereof (Tr. pp. 75-81). **(Exhibit G)**

11. On September 30, 2011, the KCC issued its “Order on MAPL’s Petition for Reconsideration,” in KCC Docket No. 12-MDAP-068-RTS. (Exhibit A - “September 30, Order”). The KCC denied MAPL’s request for a Rate of \$3.41 per barrel for transportation on the Outbound Pipeline (K.C.C. No. 13) for the “interim and during the pendency of the proceeding,” and ordered that the parties continue the Lease Agreement, subject to “true-up” consistent with final KCC Orders in the Docket. (September 30 Order, at Para. 10 and 11).

#### **MAPL’s Violation of the September 30 Order, KCC Tariffs, and Kansas Law**

12. Having agreed (on the Record at the Hearing of September 29, 2010 directly by Mr. Collingsworth) to the Terms subsequently included in the September 30 Order, MAPL thereafter violated the September 30 Order for deliveries by CRRM on the Outbound Pipeline in October and November 2011, by intentionally making false entries into its Account and Records - - its Invoice to CRRM, intentionally miscategorized deliveries as “Out-Side of Kansas,” when CRRM made such deliveries “Within Kansas.”

#### **The FERC Proceeding**

13. On September 21, 2011, MAPL filed a Request for a Tariff Rate from the Federal Energy Regulatory Commission (“FERC”) for transportation on the Outbound Pipeline. (Exhibit H)

14. MAPL sought a Rate for transportation on the Outbound Pipeline of \$3.41 per barrel. **(Exhibit I)**

15. The September 21, 2011 FERC Request of MAPL included the following provision:

**ITEM 25 APPLICATION OF RATES** (As filed by MAPL on September 21, 2011)

Carrier shall assess transportation and all other lawful charges accruing on Product accepted for transportation at the rate in effect at date Product is delivered to destination. Carrier will invoice Shipper for transportation charges and all other lawful charges accruing on Product accepted in accordance with Carrier's then current payment policies and procedures at the rates published herein.

All volumes nominated for transportation between the origin and destination set forth herein will be charged the rate for interstate service set forth in this tariff unless Shipper provides at the time of nomination a sworn affidavit certifying that the volume nominated is intended to be delivered to an intrastate destination for use within the State of Kansas. Such certification must include (1) the ultimate intrastate destination(s), (2) the total volume to be transported to each intrastate destination, and (3) the name of the ultimate consignee(s). If requested by Carrier, Shipper must also provide copies of invoices from any connecting carrier showing the intrastate destination on the connecting carrier for each movement.

16. On September 29, 2011, MAPL filed at FERC a new Tariff for the Outbound Pipeline. This MAPL filing at FERC, continued the Rate request for the Outbound Pipeline at \$3.41 per barrel, but eliminated all language previously included in the September 21, 2011 MAPL filing at FERC regarding transportation on the Outbound Pipeline to Kansas "intrastate" destinations, to wit: (including the requirement for an Affidavit of product destination) **(Exhibit J)**

**ITEM 25 APPLICATION OF RATES** (As filed by MAPL on September 29, 2011)

Carrier shall assess transportation and all other lawful charges accruing on Product accepted for transportation at the rate in effect at date Product is delivered to destination. Carrier will invoice Shipper for transportation charges and all

other lawful charges accruing on Product accepted in accordance with Carrier's then current payment policies and procedures at the rates published herein.

17. On October 14, 2011, Counsel for CRRM emailed Counsel for MAPL, noting that MAPL was refusing to accept CRRM nominations for transport on the MAPL Kansas pipelines, even in view of the KCC September 30 Order. In addition, the email noted that the requirement for an Affidavit of product destination was deleted by MAPL from its FERC filing on September 29, 2011, and that no such provision is included in MAPL's Tariff (**Exhibit K**). Specifically the email provided:

Second, MAPL personnel have advised that MAPL will not accept a nomination on the outbound line, unless CRRM declares the amount, if any, which will be shipped in interstate commerce. The MAPL Tariff (F.E.R.C. No. 82.0.0), issued September 21, 2011, contained Item 25 – Application of Rates – which required a declaration by Affidavit of volumes designated for intrastate commerce, with the effect that remaining volumes would be interstate in nature. However, in the MAPL Tariff (F.E.R.C. No. 82.1.0) issued on September 29, 2011, the herein described Item 25 was deleted. MAPL does not have a F.E.R.C. Tariff or KCC Tariff basis to require the declaration of intrastate / interstate destination, as a basis for rejecting or conditioning a nomination to ship on either an intrastate or interstate basis, on the MAPL outbound pipeline. Further, the ultimate destination of CRRM volumes would not typically be determined by CRRM (or other refiners / shippers) at the time of a prior month nomination, but instead would typically be determined at a later time, much closer to date of sale.

18. With regard to the "ultimate destination" for the petroleum products transported on the Outbound Pipeline, counsel for MAPL advised Counsel for CRRM on October 16, 2011, that:

**If the ultimate destination is not know[n] at the time of nomination then CRRM shall provide the information as soon as it knows same. This is of course for billing purposes as the interim intrastate rate differs from the interstate rate. (Emphasis added) (Exhibit L).**

19. On December 27, 2011, MAPL yet again filed a FERC Tariff for the Outbound Pipeline (**Exhibit M**), again including a Rate of \$3.41 per barrel, and yet again changing Item No. 25, to add the requirement of an Affidavit for destinations of petroleum products from the

Outbound Pipeline. This again changed Item No. 25 and is to be effective, as proposed by MAPL on January 27, 2012, to wit:

**ITEM 25 APPLICATION OF RATES**

Carrier shall assess transportation and all other lawful charges accruing on Product accepted for transportation at the rate in effect at date Product is delivered to destination. Carrier will invoice Shipper for transportation charges and all other lawful charges accruing on Product accepted in accordance with Carrier's then current payment policies and procedures at the rates published herein.

[N] In order for Carrier to determine the correct rate to be charged Shipper on barrels moving in interstate commerce, Carrier requires information sufficient to determine which of Shipper's volumes that moved between the origin and destination set forth in this tariff ultimately moved in interstate commerce. Shipper therefore shall upon request provide a sworn affidavit certifying which of Shipper's volumes moved in interstate commerce and identifying for each barrel moved by Shipper (1) the ultimate destination(s), (2) the specific routing of the movement, and (3) the name of all consignee(s). If requested by Carrier, Shipper shall also provide copies of invoices from any connecting carrier showing the ultimate destination on the connecting carrier for each movement. To the extent any of the above information is not in the immediate possession of Shipper, Shipper shall take all reasonable steps to obtain such information from consignees, connecting carriers, purchasers and any other party likely to know the information. Shipper shall use its best efforts to identify all interstate volumes at the time of nomination. To the extent Shipper's nomination or any information provided to Carrier by Shipper pursuant to this item is later found by Shipper to be inaccurate, Shipper shall provide corrected information to Carrier in a timely manner. Carrier shall be under no obligation to provide transportation to any Shipper that fails to provide information requested pursuant to this item or which provides false information.

**Intentional Making of False Entry of the  
Accounts and Records (Improper Invoicing) by MAPL**

20. On October 25, 2011, the Staff of the KCC, by Data Request No. 139 requested that CRRM provide the ultimate destination of volumes shipped intrastate (Kansas) and interstate (Non Kansas) on the Outbound Pipeline for calendar years 2009, 2010, and 2011. These volumes were provided by sworn response of CRRM on October 31, 2011. (Exhibit N).

**Volumes delivered in Kansas were 100% for 2008; 96.49% for 2009; 85.91% for 2010; and 84.38% for 2011 through September. This same volume information was provided to MAPL by CRRM, on October 31, 2011. (Exhibit O)**

21. On December 7, 2011, the delivery information provided by CRRM as set forth in Response to KCC Staff Data Request No. 139, was included in Exhibit No. LKB – 10.7, of Laura K. Bowman, in her Testimony in KCC Docket No. 12-MDAP-068-RTS. **(Exhibit P)**

22. On December 21, 2011, MAPL sent CRRM Invoice No. 75102359, dated 12/05/2011, for deliveries on the Outbound Pipeline for October and November, 2011, for \$749,912.52. **(Exhibit Q)** The following language was included in the MAPL Letter of December 21, 2011:

“Enclosed is a summary reflecting the past due invoice(s). The invoice(s) and all necessary supporting information is available by accessing CIS at <https://cis.eprod.com>. The appropriate remittance address can be found on each invoice.

**With respect to Invoice No. 75102359, the amount due is for interstate transportation on MAPL’s Coffeyville to El Dorado refined petroleum products line during the months of October and November 2011. MAPL calculated the amount of volumes moving in interstate commerce in those months, by applying the same ratio of interstate to intrastate volumes that moved during January through September of 2011 (90.69% interstate, 9.31% intrastate). To the extent, you believe this interstate/intrastate ratio to be incorrect, please let us know as soon as possible and please provide all documentation necessary to show the ultimate destination of the barrels in question.” (Emphasis added)**

23. On December 21, 2011, CRRM immediately requested “backup” for MAPL’s Invoice contention that 90.69% of deliveries from the Outbound Pipeline were “Interstate – Non Kansas,” and 9.31% were “Intrastate – Kansas.” **(Exhibit R)**

24. On December 21, 2011, MAPL responded that “The breakdown between inter and intrastate movements was based on our understanding of CVR [CRRM] historical



movements.” (Exhibit S) MAPL also contended that the interim intrastate movements could not be prorated, but remained \$66,666 per month. (Exhibit S) MAPL, for the first time, requested “backup from NuStar for the October and November movements.” (Exhibit T)

25. By miscategorizing Kansas deliveries as Non Kansas deliveries (Exhibit Q), MAPL increased its charges to CRRM on the Outbound Pipeline, from \$66,666 in October 2011 to \$296,972.95 (\$66,666 + \$230,306.95), and in November 2011, from \$66,666 to \$586,271.57 (\$66,666 + \$519,605.57). In addition, MAPL notified CRRM that it would insist on prepayment before accepting volumes for shipment in the future, if CRRM did not pay the entire Invoice of \$749,912.52 by Noon (Houston time) on January 3, 2012.

26. On December 21, 2011, CRRM provided Mr. Barr of MAPL, a copy of the sales data that was previously provided to MAPL and KCC Staff. (Exhibit T)

27. On December 22, 2011, Mr. Barr of MAPL acknowledged receipt of the historical Kansas delivery documentation, but further demanded “backup from NuStar for the October and November movements.” (Exhibit T)

28. On December 29, 2011 by correspondence from Counsel for CRRM, MAPL was advised of the exact volumes delivered in Kansas and Non Kansas in October and November 2011. (Exhibit U) CRRM advised MAPL that CRRM would promptly pay a corrected Invoice from MAPL. (Exhibit U)

29. On December 30, 2011, in addition, CRRM provided sworn Responses to Data Requests, consistent with the advice included in the letter from Counsel for CRRM to MAPL. (Exhibit V)

30. On December 30, 2011, FERC Counsel for MAPL again rejected the CRRM Request to correct the Invoice of December 5, 2011, that was known by MAPL to be false and incorrect. **(Exhibit W)** Instead, FERC Counsel for MAPL stated:

MAPL therefore requests the CRRM identify the ultimate destination of the volumes moved by CRRM in October and November 2011, broken down by destination. In addition, please provide copies of invoices from any connecting carrier or consignee showing the ultimate destination for each movement.

MAPL has asked me to inform you that at such time as it receives the proper documentation, it will amend the referenced invoice. Until that time, the invoice is past due and MAPL's December 21, 2011 notice of default letter remains in effect. Thus, as MAPL indicated in the December 21, 2011 letter, if full payment is not received by noon Houston time on January 3, 2012, MAPL intends to enforce its rights under its applicable tariff, which include, without limitation, requiring payment of carrier charges before delivery.

31. On December 30, 2011, Michael R. Puddy, Senior Vice President – Refined Products, of CRRM executed the attached Certified Statement that is consistent with Exhibit U and Exhibit V. **(Exhibit X)** To date, MAPL has at no time provided any support for its Invoice of 90.69% Non Kansas deliveries from the Outbound Pipeline in October and November 2011.

#### **Unlawful Actions of MAPL**

32. Pursuant to the terms and conditions ordered by the KCC in its September 30 Order, MAPL is permitted to charge CRRM for deliveries to Kansas destinations from the Outbound Pipeline, \$66,666 per month - - subject to a true-up consistent with the final Order of the KCC in KCC Docket No. 12-MDAP-068-RTS. Instead, with no factual basis whatsoever, MAPL has miscategorized deliveries to Kansas destinations as “Interstate – Non Kansas” deliveries. Through such miscategorization – with absolutely no basis whatsoever - - MAPL has increased the Kansas Intrastate Rate set by the KCC, by 930%, to \$3.41 per barrel. There is no

evidence of any type in KCC Docket No. 12-MDAP-068-RTS to support the wholly unsubstantiated MAPL Invoice. **(Exhibit Q)**

33. MAPL's Invoice at a Rate of \$3.41 for Kansas Intrastate deliveries (a) violates the KCC's September 30 Order; (b) violates K.S.A. § 66-117, in that MAPL has Invoiced at a Rate not authorized by the KCC; (c) violates K.S.A. § 66-137 in that MAPL has made an intentional and false entry into its Accounts and Records; and (d) violates K.S.A. § 66-109, in that MAPL has charged an unlawful variation from its filed - - and agreed **(Exhibit G)** - - KCC Rate for the Outbound Pipeline.

34. In addition, MAPL is in violation of K.S.A. § 66-117 AND 66-109, in that MAPL is attempting to include in the terms and conditions of service an additional requirement of proof of delivery destination and prepayment, which is not a part of the MAPL KCC Tariff for the Outbound Pipeline. Separately, the MAPL requested terms and conditions are not part of any MAPL effective FERC Tariff. In addition, MAPL seeks to include in its Kansas Intrastate Terms – an additional term (prepayment for designated volumes) that is not included in the Amended Pipeline Lease.

35. By way of numerous sworn Responses to Data Requests, Certified Statements, and a multitude of additional evidence as set forth above, MAPL has direct knowledge that its Invoice of December 17, 2011, is false and untrue. The evidence set forth above regarding MAPL's conduct regarding the Invoice of December 17, 2011, is that MAPL has made an intentional false entry into its Accounts (K.S.A. § 66-137), which resulted in an intentional change in KCC rates and a variation of KCC filed rates, that has not been authorized by the KCC.

36. For a knowing and intentional violation of KCC Orders, and KCC filed rates, Kansas statutes provide for enforcement and penalties, as set forth in K.S.A. §§ 66-109, 66-138, and 66-139.

WHEREFORE, CRRM respectfully requests an immediate Order from the KCC, (a) directing MAPL to submit an Invoice to CRRM that is lawful and consistent with the September 30 Order, the KCC Filed Tariff of MAPL, and the Certified Statement of CRRM (**Exhibit X**), and other sworn Testimony of CRRM as set forth above; and (b) further ordering MAPL to take no action that has the effect of denying CRRM the full use of the common carrier and public utility facilities of the Outbound Pipeline, including but not limited to prepayment for transportation on the Outbound Pipeline of MAPL; and (c) the costs and expenses of CRRM (including reasonable attorneys' fees) associated with this Complaint.

Respectfully submitted,

SMITHYMAN & ZAKOURA, CHARTERED

By: James P. Zakoura  
James P. Zakoura, KS Bar #7644  
Carson M. Hinderks, KS Bar #25079  
750 Commerce Plaza II Building  
7400 West 110<sup>th</sup> Street  
Overland Park, KS 66210-2362  
Telephone: (913) 661-9800  
Facsimile: (913) 661-9863  
Email: jim@smizak-law.com  
carson@smizak-law.com

Edmund S. Gross, KS Bar #10702  
Coffeyville Resources Refining & Marketing, LLC  
Senior Vice President, General Counsel & Secretary  
10 East Cambridge Circle Drive, Suite 250  
Kansas City, KS 66103

ATTORNEYS FOR COFFEYVILLE RESOURCES  
REFINING & MARKETING, LLC

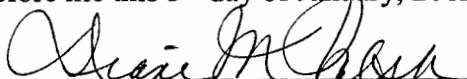
**VERIFICATION**

STATE OF KANSAS            )  
                                      ) ss.  
COUNTY OF JOHNSON        )

I, James P. Zakoura, being first duly sworn, state that the above and foregoing Complaint is true and accurate to the best of my knowledge, information and belief.

  
James P. Zakoura

SUBSCRIBED AND SWORN to before me this 3<sup>rd</sup> day of January, 2012.

  
Notary Public

My Appointment Expires:

08-31-2014

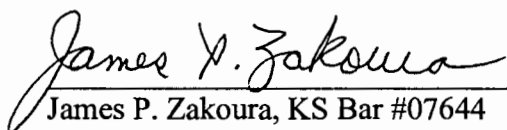


**CERTIFICATE OF SERVICE**

I hereby certify that on this 3rd day of January, 2012, the original and eight copies of the above and foregoing was hand delivered to Patrice Petersen-Klein, Executive Director of the Kansas Corporation Commission, 1500 SW Arrowhead Road, Topeka, Kansas 66604-4027 for filing. Additionally said Complaint of Coffeyville Resources Refining & Marketing, LLC was emailed, addressed to the following:

Glenda Cafer Cafer Law Office, L.L.C. 3321 SW 6 <sup>th</sup> Street Topeka, KS 66606 <a href="mailto:gcafer@sbcglobal.net">gcafer@sbcglobal.net</a>	Judy Jewsome Kansas Corporation Commission 1500 SW Arrowhead Road Topeka, KS 66604-4027 <a href="mailto:j.jewsome@kcc.ks.gov">j.jewsome@kcc.ks.gov</a>
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Terri Pemberton Cafer Law Office, L.L.C. 3321 SW 6 <sup>th</sup> Street Topeka, KS 66606 <a href="mailto:tjpemberton@sbcglobal.net">tjpemberton@sbcglobal.net</a>	Patricia A. Totten Mid-America Pipeline Company, LLC Enterprise Products – Commercial Operations 1100 Louisiana, Suite 1400 Houston, TX 77002 <a href="mailto:PATotten@eprod.com">PATotten@eprod.com</a>
Andrew Schulte Kansas Corporation Commission 1500 SW Arrowhead Road Topeka, KS 66604-4027 <a href="mailto:a.schulte@kcc.ks.gov">a.schulte@kcc.ks.gov</a>	Otto Newton 1500 SW Arrowhead Road Topeka, KS 66604 <a href="mailto:o.newton@kcc.ks.gov">o.newton@kcc.ks.gov</a>



James P. Zakoura, KS Bar #07644

Carson M. Hinderks, KS Bar #25079

SMITHYMAN & ZAKOURA, CHARTERED

ATTORNEYS FOR COFFEYVILLE RESOURCES  
REFINING & MARKETING, LLC

# **EXHIBIT A**

**THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

Before Commissioners: Mark Sievers, Chairman  
Ward Loyd  
Thomas E. Wright

In the Matter of the Application of Mid- )  
America Pipeline Company, LLC for the )  
Establishment of Initial General Commodity ) Docket No: 12-MDAP-068-RTS  
Transportation Rates on its Conway to )  
Coffeyville and Coffeyville to El Dorado )  
Segments. )

**ORDER ON MAPL'S PETITION FOR RECONSIDERATION**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having examined its files and records, and being duly advised in the premises, the Commission makes the following findings and conclusions:

**I. Background Information**

1. On July 25, 2011, Mid-America Pipeline Company, LLC (MAPL) filed an Application, Motion for Temporary Waiver of Filing Requirement, and Request for Interim Rates Subject to Refund to establish rates for transportation service under K.S.A. 66-117, K.S.A. 66-1,217, and K.A.R. 82-10-2. MAPL's Motion requested a temporary waiver of K.A.R. 82-10-2, which requires prefiled testimony to be filed simultaneously with the filing of the Application, and asked that the Commission allow MAPL to file testimony on August 19, 2011. Application, Motion for Temporary Waiver of Filing Requirement, and Request for Interim Rates Subject to Refund, July 25, 2011, paragraphs 8-9 (Application, ¶¶ 8-9). The Commission granted MAPL's request to temporarily waive commencement of the 30-day and 240-day time periods provided under K.S.A. 66-117 for review of MAPL's Application requesting interim rates and cost-based



rates until August 19, 2011, to allow MAPL to file its testimony in this matter. Order Granting Motion(s) for Temporary Waiver of Filing Requirement of K.A.R. 82-10-2 and Waiver of 30-Day Notice Requirement of K.A.R. 82-1-214; and Agreeing to Temporary Waiver of Time Periods Provided for under K.S.A. 66-117, August 1, 2011.

2. Due to the expiration on September 30, 2011, of the Capacity Lease, Pipeage Contract and associated incentive rate program related to the two pipelines at issue in this proceeding, MAPL asked that its proposed initial general commodity rates become effective October 1, 2011, as interim rates, and asked the Commission issue an Order no later than September 19, 2011. MAPL stated the interim rates would be subject to a refund, plus interest, based upon the difference, if any, between the interim rates and final rates approved by the Commission in this docket. Application, ¶¶ 6-7.

3. MAPL stated that the Coffeyville refinery, which is owned by Coffeyville Resources Refining & Marketing, LLC (Coffeyville Resources), is the sole shipper of natural gas liquids on the Inbound Route from Conway to Coffeyville. MAPL also stated Coffeyville Resources leases all capacity on the Outbound Route, which transports refined petroleum products from Coffeyville to El Dorado. Application, ¶¶ 4-6. In its Application, MAPL noted that since mid-2010 it has attempted to negotiate new rates with Coffeyville Resources, but those efforts have been unsuccessful. Application, ¶ 9. Coffeyville Resources was granted intervention in this docket. Prehearing Officer Order Granting Intervention to Coffeyville Resources Refining & Marketing, LLC, August 30, 2011.

4. On September 19, 2011, the Commission issued an order denying MAPL's request for interim relief, and ordered that the rates in MAPL's current tariff, K.C.C. No. 12, continue in the interim and during the pendency of these proceedings, until otherwise ordered by

the Commission. Order Denying MAPL's Request for Interim Relief, September 19, 2011 (Interim Order). MAPL timely filed a Petition for Reconsideration asking the Commission reconsider and clarify its findings, and stated that there will be no current tariff for the Outbound Route, and that the tariff for the Inbound Route will not be available after September 30, 2011, when the Pipeage Contract expires. Petition for Reconsideration of Mid-America Pipeline Company, September 22, 2011, paragraphs 25-26 (MAPL Petition, ¶¶ 25-26).

5. In its Petition, MAPL requested the Commission reconsider and clarify its Interim Order regarding the tariff provisions under which MAPL is expected to provide service as of October 1, 2011. MAPL Petition, ¶¶ 25-28. MAPL requested that, if the Commission were to establish interim rates at the level of the existing Pipeage Contract and tariff and require MAPL to continue the lease arrangement under the Capacity Agreement, the Commission allow MAPL to recover from Coffeyville Resources the difference between the interim rates and lease payment received and the final rates approved by the Commission in this docket. MAPL Petition, ¶ 23. MAPL specifically stated that the requested true-up would be calculated based upon the final rates established in the docket, and that MAPL would collect from Coffeyville Resources the difference between the final approved rates and the interim rates. MAPL Petition, ¶ 23. The Commission must issue an Order by October 24, 2011, or the Petition is deemed denied.<sup>1</sup>

6. In an effort to examine the Petition for Reconsideration prior to the expiration of the Pipeage Contract and Lease Agreement on September 30, 2011, the Commission issued an Order scheduling oral arguments in this docket to address MAPL's Petition for Reconsideration and issues concerning the interim rates set in the Interim Order. Order Scheduling Oral

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<sup>1</sup> K.S.A. 2010 Supp. 77-529(b).

Argument, September 28, 2011, paragraph 4. The Commission conducted oral arguments on September 29, 2011.

7. At the oral arguments, MAPL, Coffeyville Resources and Staff raised several objections and issues to the Commission. The parties agreed that the Commission has jurisdiction over the parties and subject matter, and that the Commission has the authority to order interim rates. Transcript of Proceedings, September 29, 2011, pages 11, 16, 21 (Tr., pp. 11, 16, 21). The parties presented their arguments and positions to the Commission for consideration.

8. The Commission asked the parties whether it would be acceptable if the Commission were to establish interim rates at the level existing in the contracts, subject to a true-up at the conclusion of the proceedings. Tr., pp. 75-76. MAPL agreed that, if all terms of the contract were extended during the pendency of the rate case, including existing rates along with a true-up mechanism, there would be no irreparable damage to the company because recovery at the end of the case would be allowed. Tr., pp. 76-77. Staff stated the Commission could adopt the rates of the contract as interim rates, rather than a continuation of the contract, subject to true up at the end of the rate case. Tr., p. 63. Coffeyville Resources agreed that, if the Commission continued all terms of the contracts, subject to a true-up mechanism, those terms would be acceptable to Coffeyville Resources. Tr., p. 77. Coffeyville Resources also agreed that if the Commission ordered that the interim rates proposed by MAPL were adopted subject to a refund with interest, Coffeyville Resources would be required to pay those Commission-ordered interim rates. Tr., pp. 77-78.

## II. Legal Standards Applied to Petitions for Reconsideration

9. The purpose of requiring a party to ask for reconsideration is to provide the Commission with an opportunity “to correct errors which are called to its attention and thus avoid a judicial review and determination.”<sup>2</sup> The Commission is one of three agencies under the Kansas Administrative Procedure Act in which the filing of a petition for reconsideration is a prerequisite to filing a petition for judicial review of agency action.<sup>3</sup> Generally, a party may not seek judicial review of an issue not presented to the agency in a petition for reconsideration.<sup>4</sup> The Commission’s action in this proceeding is subject to review in accordance with the standards of judicial review articulated in the Kansas Judicial Review Act<sup>5</sup> and expressed in applicable case law,<sup>6</sup> which provides the exclusive means for seeking review of state agency action.<sup>7</sup>

## III. Findings and Conclusions

10. The Commission finds it is appropriate to reconsider the findings in its Interim Order, and clarify its intent to establish interim rates in this docket. The Commission has considered the arguments and positions of the parties stated during the time set aside for oral arguments on issues raised, summarized above. The Commission finds that paragraph 18 of its September 19, 2011, Order Denying MAPL’s Request for Interim Relief should be amended as follows:

“18. The Commission finds and concludes that MAPL’s request for interim rate relief as set forth in MAPL’s K.C.C. No. 13 must be denied. The Commission concludes and orders that the interim rates during the pendency of this proceeding

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<sup>2</sup> *Graves Truck Line v. State Corporation Comm’n*, 195 Kan. 82, 85, 402 P.2d 757, 760 (1965); *Williams Natural Gas Co. v. State Corporation Comm’n*, 22 Kan. App. 2d 326, 332-333, 916 P.2d 52, 57 (1996), rev. denied 260 Kan. 1002 (July 25, 1996).

<sup>3</sup> K.S.A. 2010 Supp. 77-529(a)(1).

<sup>4</sup> K.S.A. 2010 Supp. 77-617.

<sup>5</sup> K.S.A. 2010 Supp. 77-621(c); see *Redd v. Kansas Truck Center*, 291 Kan. 176, 182-183, 239 P.3d 66, 72 (2010).

<sup>6</sup> See e.g., *Kansas Gas & Electric Co. v. State Corporation Comm’n*, 239 Kan. 483, 496-498, 720 P.2d 1063, 1075-1077 (1986).

shall be established as set forth in MAPL's current tariff, K.C.C. No. 12, for the Inbound Route, and as set forth in Lease Agreement, for the Outbound Route, which shall continue in the interim and during the pendency of these proceedings until otherwise ordered by the Commission. The Commission approves of the agreement of the parties during oral arguments to abide by the terms and conditions of the Pipeage Contract and Lease Agreement to maintain consistency in business practices during this interim period. These Commission-approved interim rates shall take effect during the interim period beginning October 1, 2011, and shall remain in place as interim rates until the Commission approves an Order establishing final rates in this proceeding. The Commission-approved interim rates shall be subject to true-up at the conclusion of this proceeding based upon the difference, if any, between the interim rates and the final rates approved by the Commission."

11. The Commission also finds that Ordering Clause A of its September 19, 2011, Order Denying MAPL's Request for Interim Relief should be amended as follows:

"A. The Commission denies the request of Mid-America Pipeline Company, LLC for interim rates consistent with the requested rates set forth in MAPL's K.C.C. No. 13. The Commission concludes and orders that the interim rates during the pendency of this proceeding shall be established as set forth in MAPL's current tariff, K.C.C. No. 12, for the Inbound Route, and as set forth in Lease Agreement, for the Outbound Route, which shall continue in the interim and during the pendency of these proceedings until otherwise ordered by the Commission. The Commission approves of the agreement of the parties during oral arguments to abide by the terms and conditions of the Pipeage Contract and Lease Agreement to maintain consistency in business practices during this interim period. These Commission-approved interim rates shall take effect during the interim period beginning October 1, 2011, and shall remain in place as interim rates until the Commission approves an Order establishing final rates in this proceeding. The Commission-approved interim rates shall be subject to true-up at

---

<sup>7</sup> K.S.A. 77-606.

the conclusion of this proceeding based upon the difference, if any, between the interim rates and the final rates approved by the Commission."

**IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:**

A. The Commission grants MAPL's request to reconsider and clarify statements made in its September 19, 2011, Order Denying MAPL's Request for Interim Relief, and orders that paragraph 18 and Ordering Clause A be amended as set forth above in paragraphs 10 and 11.

B. The Commission orders service of this Order be made by electronic mail. This is a procedural order and constitutes non-final agency action. K.S.A. 77-607(b)(2). Parties have 15 days from the date of electronic service of this Order in which to petition the Commission for reconsideration. K.S.A. 66-118b; K.S.A. 2010 Supp. 77-529(a)(1).

C. The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further order, or orders, as it may deem necessary and proper.

**BY THE COMMISSION IT IS SO ORDERED.**

Sievers, Chairman; Loyd, Commissioner; Wright, Commissioner

Dated: SEP 30 2011



ORDER MAILED SEP 30 2011

Patrice Petersen-Klein  
Executive Director

mrd

**CERTIFICATE OF SERVICE**

SEP 30 2011

12-MDAP-068-RTS

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing Order on MAPL's Petition for Reconsideration was served by electronic mail this 30th day of September, 2011, to the following parties who have waived receipt of follow-up hard copies:

GLEND A CAFER, ATTORNEY  
CAFER LAW OFFICE, L.L.C.  
3321 SW 6TH STREET  
TOPEKA, KS 66606  
Fax: 785-233-3040  
gcafer@sbcglobal.net

TERRI PEMBERTON, ATTORNEY  
CAFER LAW OFFICE, L.L.C.  
3321 SW 6TH STREET  
TOPEKA, KS 66606  
Fax: 785-233-3040  
tjpemberton@sbcglobal.net

EDMUND S. GROSS, SR VP, GENERAL COUNSEL &  
SECRETARY  
COFFEYVILLE RESOURCES REFINING & MARKETING,  
LLC  
10 E CAMBRIDGE CIRCLE DR STE 250  
KANSAS CITY, KS 66103-1393  
Fax: 913-981-0000  
esgross@coffeyvillegroup.com

JUDY JEWSOME, ASSISTANT LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD ROAD  
TOPEKA, KS 66604-4027  
Fax: 785-271-3167  
j.jewsom e@kcc.ks.gov  
\*\*\*Hand Delivered\*\*\*

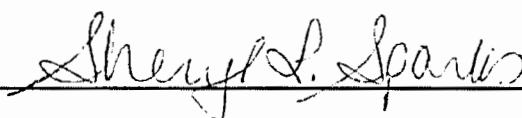
ANDREW SCHULTE, ASSISTANT LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD ROAD  
TOPEKA, KS 66604-4027  
Fax: 785-271-3354  
a.schulte@kcc.ks.gov  
\*\*\*Hand Delivered\*\*\*

PATRICIA A. TOTTEN, VICE PRESIDENT  
MID-AMERICA PIPELINE COMPANY, LLC  
1100 LOUISIANA ST STE 1000  
HOUSTON, TX 77002-7499  
Fax: 713-803-1307  
patotten@eprod.com

OTTO NEWTON, LITIGATION COUNSEL  
OTTO NEWTON  
1500 SW ARROWHEAD ROAD  
TOPEKA, KS 66604  
o.newton@kcc.ks.gov  
\*\*\*Hand Delivered\*\*\*

CARSON M. HINDERKS, ATTORNEY  
SMITHYMAN & ZAKOURA, CHTD.  
7400 W 110TH ST STE 750  
OVERLAND PARK, KS 66210-2362  
Fax: 913-661-9863  
carson@smizak-law.com

JAMES P. ZAKOURA, ATTORNEY  
SMITHYMAN & ZAKOURA, CHTD.  
7400 W 110TH ST STE 750  
OVERLAND PARK, KS 66210-2362  
Fax: 913-661-9863  
jim@smizak-law.com

  
\_\_\_\_\_

ORDER MAILED SEP 30 2011

**CERTIFICATE OF SERVICE**

SEP 30 2011

12-MDAP-068-RTS

Sheryl L. Sparks  
Administrative Specialist

ORDER MAILED SEP 30 2011



## **EXHIBIT B**

# Mid-America Pipeline Company LLC

Misc. Transportation Invoice

Coffeyville Resources LLC  
10 E Cambridge Circle Dr  
Ste 250  
KANSAS CITY, KS 66103-1393  
ATTN: Accounts Payable

Net Amount Due: \$749,912.52

Payment Terms: Net 10 Days From Invoice Date

**Remit ACH To:**

Mid-America Pipeline Company LLC  
JP Morgan Chase  
ABA 111000614 Account 637767575  
Dallas, TX

**Remit Check To:**

Mid-America Pipeline Company LLC  
P. O. Box 972990  
Dallas, TX 75397-2990

**Remit Wire Transfer To:**

Mid-America Pipeline Company LLC  
JP Morgan Chase  
ABA 021000021 Account 637767575  
New York, NY

**Invoice Description:**

To bill for FERC moves from Coffeyville Refinery to El Dorado Nustar for Oct. and Nov. 2011.

Date 12/05/2011			Invoice No. 75102359											
Nomination	Trans Type	Ticket No.	Origin	Destination	Product	Prod Comp	Corr. Ind.	Flow Date	Process Date	Company	Volume	Rate Desc.	Rate	Amount
	TD		Coffeyville	Eld Nustar FERC	#2 LS Fuel	PROD		10/31/2011	12/05/2011	MAPL LLC	67,509 BBL	CONT	3.411500	\$230,306.95
	TD		Coffeyville	Eld Nustar FERC	#2 LS Fuel	PROD		11/30/2011	12/05/2011	MAPL LLC	152,310 BBL	CONT	3.411500	\$519,605.57

SubTotal:

219,819

\$749,912.52

Invoice to be paid in U.S. Dollars.

**NET AMOUNT DUE:**

**\$749,912.52**

# **EXHIBIT C**

**BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

In the Matter of the Application of Mid- )  
America Pipeline Company, LLC for the )  
Establishment of Initial General ) Docket No.: 12-MDAP-068-RTS  
Commodity Transportation Rates on its )  
Conway to Coffeyville and Coffeyville to )  
El Dorado Segments. )

**APPLICATION,  
MOTION FOR TEMPORARY WAIVER OF FILING REQUIREMENT,  
AND REQUEST FOR INTERIM RATES SUBJECT TO REFUND**

Mid-America Pipeline Company, LLC ("MAPL") files this Application with the State Corporation Commission of the State of Kansas ("Commission" or "KCC") for the purpose of establishing rates for transportation service in accordance with K.S.A. 66-117, K.S.A. 66-1,217 and K.A.R. 82-10-2. MAPL respectfully requests that the proposed initial general commodity rates become effective in accordance with the statute and regulation, except as otherwise noted in this application, and in support of such request, MAPL states the following:

**I. INTRODUCTION**

1. MAPL is a liquids pipeline common carrier under the jurisdiction of the Commission that is engaged in the transportation of liquid hydrocarbons within the meaning of K.S.A. 66-105 and 66-1,215. MAPL holds a certificate of convenience and authority issued by the Commission, authorizing MAPL to engage in such business.

2. MAPL is an approximately 7,800-mile pipeline system within thirteen (13) states, as shown in the system map attached hereto as **Exhibit A**. MAPL's Kansas assets include 1,852

miles of pipe, a storage facility in Conway, Kansas, and two offices. MAPL directly employs approximately forty-nine people in Kansas and pays approximately \$4.6 million annually in taxes to the State of Kansas. The portion of MAPL's pipeline system which is located in Kansas is shown on **Exhibit B**.

3. In addition to undersigned counsel, all correspondence, pleadings, orders, decisions and communications regarding this proceeding should be sent to:

Patricia A. Totten  
Vice President  
1100 Louisiana, Suite 1000  
Houston, Texas 77002  
Telephone: ( 713 ) 381-3939  
Facsimile: ( 713 ) 803.1307  
E-mail: patotten@eprod.com

## **II. BACKGROUND**

4. There are two distinct line segments addressed in this application. One is the Conway to Coffeyville inbound blue line ("Inbound Line") and the other is the Coffeyville to El Dorado outbound red line ("Outbound Line"). The Inbound Line primarily transports natural gas liquids from Conway, Kansas to a refinery at Coffeyville, Kansas. The Coffeyville refinery is owned by Coffeyville Resources Refining & Marketing, LLC ("CVR"), which is wholly owned by CVR Energy, Inc., a NYSE listed company headquartered in Sugar Land, Texas. The Outbound Line transports refined petroleum products from Coffeyville to El Dorado, Kansas.

5. CVR is the sole shipper on the Inbound Line from Conway to Coffeyville, under a Pipeage Contract executed in 2005 with an incentive rate program which has throughput and deficiency obligations. Under an Agreement of Capacity Lease and Operating Agreement executed in 1996, as amended by two (2) Amendments to Agreement of Capacity Lease and

Operating Agreement executed in 1999 and 2005, respectively ("Capacity Lease"), CVR leases from MAPL all of the capacity of the Outbound Line and has been responsible for filing its own tariff rate at the Commission. For the Inbound Line, rates are set via MAPL tariff filings with the Commission, the most recent of which was filed on May 23, 2011, in Docket No. 11-MDAP-802-TAR, and approved by the Commission on July 22, 2011. Both the Pipeage Contract and the Capacity Lease were approved by the Commission and are attached hereto as **Exhibit C**.

6. The Capacity Lease, the Pipeage Contract and the incentive rate program all automatically expire under their own terms on September 30, 2011. MAPL has been unable to reach agreement with CVR on negotiated rate to replace the existing agreements upon their automatic termination. As such, MAPL files this application requesting the Commission issue the following Orders:

- (1) Grant MAPL's request for a temporary waiver of the requirement under K.A.R. 82-10-2 that testimony be filed simultaneously with this application and allow MAPL to file such testimony on August 19, 2011. MAPL hereby affirms that the 240-day timeline provided under K.S.A. 66-117 would not begin until August 19, 2011, when the testimony is filed.
- (2) Issue an Order no later than September 19, 2011, approving interim rates to be effective October 1, 2011, for MAPL's Inbound and Outbound Lines consistent with the rates set forth in MAPL's K.C.C. No. 13, attached hereto as **Exhibit D**. These rates are based upon the cost of service information provided with this application, and would be subject to refund plus interest based upon the difference, if any, between the interim rates and the final rates approved by the Commission in this docket; and

- (3) Grant approval of the cost-based rates set forth in MAPL's K.C.C. No. 13, effective with the date of the Commission's final order in this docket.

7. The rates proposed are initial general commodity rates for these services. The rates proposed for MAPL will be fair, just and reasonable both to MAPL and its customers. Attached hereto as **Exhibit E** is the Notice sent to MAPL's shippers who may be affected by the this filing. Attached as **Exhibit F** is MAPL's most recent FERC Form No. 6, as required by K.A.R. 82-10-2(b)(3).

### **III. TEMPORARY WAIVER OF SIMULTANEOUS TESTIMONY PREFILING REQUIREMENTS.**

8. K.A.R. 82-10-2 sets forth the information to be included with a rate filing for a liquids pipeline company. Section (c) states that prefiled testimony shall be filed simultaneously with the filing of the application. Section (d) states that, for good cause shown, the Commission may waive any of the requirements of the rule. MAPL is requesting that the Commission temporarily waive the requirement that testimony be filed simultaneously with the application, and allow MAPL to file such testimony on August 19, 2011.

9. The September 30, 2011 automatic expiration of the agreements with CVR dictates that MAPL establish new rates effective October 1, 2011. MAPL has attempted to negotiate new rates with CVR since mid-2010, but those efforts have not been successful. MAPL must proceed with filing this application in order that the request for interim rates can be considered and acted upon by the Commission before the September 30, 2011 deadline, after which time MAPL will not have approved rates for its service on the Inbound and Outbound Lines. Under the tight time constraints MAPL faced, it was able to prepare the cost of service information needed to support the rates proposed in the filing, but drafting of testimony could not

be done before the time the filing needed to be made. Therefore, MAPL is requesting the Commission temporarily waive the testimony filing requirements and allow MAPL to submit that testimony on August 19, 2011. MAPL confirms that the 240-day time period contained in K.S.A. 66-117 will not begin running until the testimony is filed on August 19, 2011.

**IV. REQUEST FOR ORDER GRANTING INTERIM RATES SUBJECT TO REFUND PLUS INTEREST TO BE CHARGED DURING PENDENCY OF THE COMMISSION'S FULL REVIEW OF THE ISSUES POSITED IN THIS DOCKET.**

10. As explained above, as of October 1, 2011, MAPL will no longer have Commission approved rates on file for its Inbound Line because the present rates expire with the automatic termination of the 2005 Pipeage Contract on September 30, 2011. The existing rate for the Outbound Line is CVR's tariff rate, which will no longer be valid upon the automatic termination of CVR's Capacity Lease on September 30, 2011. As such, interim rates need to be approved by the Commission to become effective October 1, 2011. Such rates would remain effective until a final order is issued by the Commission on this application. If the ultimate rates approved by the Commission in this docket are less than the interim rates, MAPL will refund the difference charged to its customers, with interest at the rate that is posted on the FERC website at: <http://www.ferc.gov/legal/acct-matts/interest-rates.asp>.

11. As shown in the cost of service schedules attached hereto as **Schedules 1 - 2**, MAPL has provided sufficient information to support the rates proposed in this application. MAPL has used acceptable accounting procedures and proper allocations, based upon FERC approved methodologies. MAPL understands that the Commission Staff must fully review this data before final rates are approved, but in the interim, the proposed rates are sufficiently justified to allow the Commission to approve them in order for the rates to become effective on



October 1, 2011, subject to refund plus interest. The schedules show that during the test year, the achieved rate of return for MAPL was negative 16.4% for the Outbound Line, and 4.3% for the Inbound Line. As such, under the expiring contract rates, MAPL's earnings are at a level amounting to confiscation of MAPL's property. Interim rate relief as proposed by MAPL is necessary during the pendency of this docket in order that MAPL will have a Commission-approved rate in effect at all times, and that the rate will allow MAPL to begin to earn a fair rate of return on its property located in Kansas.

12. The Commission has the authority to approve interim rates subject to refund, as requested by MAPL. *Kansas-Nebraska Natural Gas Co., Inc. v. State Corporation Commission*, 217 Kan. 604, 612 (1975). MAPL's filing will be supplemented with Direct Testimony on August 19, 2011, prior to the date that an order on interim rates is needed from the Commission. However, the exhibits and information provided with this application are sufficient to support the interim rates requested.

## **V. REQUEST FOR COST-BASED RATES**

13. MAPL requests approval of the cost-based rates supported by the schedules filed with this application. These schedules establish a gross revenue deficiency of \$2.4 million for the Inbound Line based upon test year results, adjusted for known and measurable changes in operating expenses and capital additions to property. The allowed rates represent a gross revenue increase of approximately 92% based on test year revenue of approximately \$5.1 million. The comparable gross revenue deficiency for the Outbound Line is approximately \$7.4 million for the same period, also due to known and measurable changes in operating expenses and capital additions to property. The proposed rates represent a gross revenue increase of approximately 930% based on test year revenue of approximately \$8.2 million. For both the

Inbound and Outbound Lines these gross revenue increases are primarily attributable to existing revenues not capturing the extensive pipeline integrity costs incurred by MAPL.

14. MAPL is requesting a nominal return on equity of 11.96% based upon a capital structure of 52.74% equity for the adjusted test year in this application. MAPL is a wholly owned subsidiary of Enterprise Products Partners L.P., a master limited partnership, whose capital structure is being used in this cost of service.

15. The proposed revenues in this application are just and reasonable, and necessary to assure continuing, adequate, efficient and reliable service on the two segments of pipeline which are the subject of this application.

## **VI. EXPIRATION OF CONTRACTS**

16. Over the past thirty years, MAPL and CVR (through their predecessors) have executed and operated under a number of agreements related to the two lines addressed in this application. In 1996, the parties executed the Settlement and Mutual Release Agreement ("SMRA"), addressing both lines. Under the SMRA, the parties executed the Agreement of Capacity Lease and Operating Agreement for the Outbound Line on March 7, 1996, which was amended in 1999 and again in 2005. The 2005 Amendment states that "[t]he term of this Agreement shall commence on January 1, 1997 and shall expire on September 30, 2011." (Paragraph 1.)

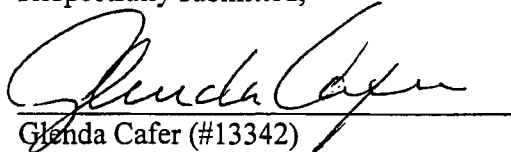
17. Regarding the Inbound Line, the SMRA provided that MAPL would file a tariff within 10 days of the SMRA being approved by the Commission. MAPL timely made that tariff filing. The rates paid by CVR were later established under The Pipeage Contract, with throughput and deficiency obligations, that was entered into by MAPL and CVR as of

September 1, 2005. The Pipeage Contract states that “[t]he Agreement shall automatically terminate on September 30, 2011.” (Section 2.) By the specific terms of the contracts executed by the parties and approved by the Commission, the contracts and their associated rates and terms of service expire on September 30, 2011. As of that date, there will no longer be any contracts or agreements in effect between MAPL and CVR.

WHEREFORE, in consideration of the foregoing, MAPL respectfully requests the Commission issue Orders in this docket as follows:

- (1) Grant MAPL’s request for a temporary waiver of the requirement under K.A.R. 82-10-2 that testimony be filed simultaneously with this application and allow MAPL to file such testimony on August 19, 2011. MAPL hereby affirms that the 240-day timeline provided for under K.S.A. 66-117 would not begin to run until August 19, 2011, when the testimony is filed.
- (2) Issue an Order approving interim rates to be effective October 1, 2011, for MAPL’s Inbound and Outbound Lines consistent with the rates set forth in MAPL’s K.C.C. No. 13, attached hereto as **Exhibit D**. These rates are based upon the cost of service information provided with this application, and would be subject to refund plus interest based upon the difference, if any, between the interim rates and the final rates approved by the Commission in this docket; and
- (3) Grant approval of the cost-based rates set forth in MAPL’s K.C.C. No. 13, effective with the date of the Commission’s final order in this docket.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Glenda Cafer", is written over a horizontal line.

Glenda Cafer (#13342)

(785) 271-9991

Terri Pemberton (#23297)

(785) 232-2123

CAFER LAW OFFIC, L.L.C.

3321 SW 6th Avenue

Topeka, Kansas 66606

(785) 233-3040 (fax)

[gcafer@sbcglobal.net](mailto:gcafer@sbcglobal.net)

[tipemberton@sbcglobal.net](mailto:tipemberton@sbcglobal.net)

ATTORNEYS FOR MID-AMERICA PIPELINE  
COMPANY, LLC

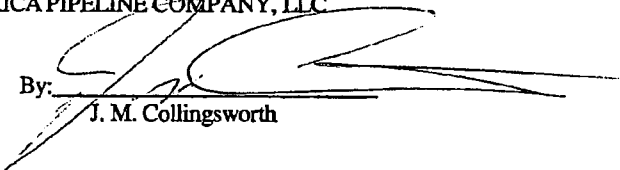
## **EXHIBIT D**

**VERIFICATION**


STATE OF TEXAS           )  
                                  ) ss.  
COUNTY OF HARRIS       )

I, J. M. Collingsworth, being duly sworn, on oath state that I am President of Mid-America Pipeline Company, LLC, that I have read the foregoing application, exhibits and schedules and know the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge and belief.

MID-AMERICA PIPELINE COMPANY, LLC

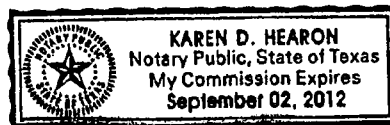
By:   
J. M. Collingsworth

The foregoing application was subscribed and sworn to before me this \_\_\_\_\_ day of July, 2011.

  
Notary Public

My Commission Expires:

September 2, 2012



# **EXHIBIT E**

To Application  
filed July 25, 2011,  
in KCC Docket No.  
12-MOAP-068-RTS

**AGREEMENT OF**

**CAPACITY LEASE**

**AND**

**OPERATING**

**AGREEMENT**



**AGREEMENT OF CAPACITY LEASE****BETWEEN**

**MID-AMERICA PIPELINE COMPANY**  
**and**  
**FARMLAND INDUSTRIES, INC.**

<u>Table of Contents</u>	<u>Page</u>
ARTICLE I .....	1
<u>LEASED PIPELINE CAPACITY</u> .....	1
ARTICLE II .....	3
<u>EFFECTIVE DATE AND TERM</u> .....	3
ARTICLE III .....	3
<u>LEASE PAYMENTS</u> .....	3
ARTICLE IV .....	6
<u>RECEIPT AND DELIVERY POINTS</u> .....	6
ARTICLE V .....	7
<u>TITLE TO PETROLEUM PRODUCTS</u> .....	7
ARTICLE VI .....	7
<u>OPERATION OF PIPELINE</u> .....	7
ARTICLE VII .....	7
<u>TAXES</u> .....	7
ARTICLE VIII .....	8
<u>FORCE MAJEURE</u> .....	8
ARTICLE IX .....	10
<u>LIABILITY</u> .....	10
ARTICLE X .....	10
<u>WARRANTIES</u> .....	10
ARTICLE XI .....	11
<u>GOVERNMENTAL RULES AND REGULATIONS</u> .....	11
ARTICLE XII .....	12
<u>ASSIGNMENT</u> .....	12
ARTICLE XIII .....	12
<u>NOTICES</u> .....	12
ARTICLE XIV .....	13
<u>COUNTERPART EXECUTION</u> .....	13
ARTICLE XV .....	13
<u>MISCELLANEOUS</u> .....	13

and associated therewith in any manner related to the transportation of petroleum products, for the time period of January 1, 1997 through December 31, 1999. The herein set forth pipeline capacity lease does not include any facilities owned by MAPL or any affiliated or other entities related to MAPL, except the capacity of those pipeline and appurtenant facilities described herein and located between Coffeyville, Kansas and El Dorado, Kansas, and more specifically delineated on Exhibit A attached hereto and made a part hereof.

1.2 For the term of this AGREEMENT, Farmland shall have, without limitation, the right to transport any type of petroleum products, whether refined petroleum products or otherwise, including, but not limited to, motor gasoline, diesel fuel, heating oil, aviation gasoline, propane, butane, isobutane, and refinery grade butane (such listed products, and others not so listed, to be defined in the same or similar manner as defined in common petroleum industry usage). Such petroleum products will be of similar specifications to those published specification requirements of the pipelines receiving petroleum products from the Leased Facilities as they may exist from time to time; provided, however, that no petroleum products may be tendered for the first time to nor transported for the first time after the Effective Date on the Leased Facilities which petroleum products will be delivered from the Leased Facilities to a connecting pipeline without Farmland first providing to MAPL written acceptance from such connecting pipeline of the petroleum products specification provided for in this Section 1.2.

1.3 During the term of this AGREEMENT, Farmland shall have the right to transport volumes only outbound from Coffeyville, Kansas to El Dorado, Kansas on an unlimited basis, subject only to capacity limitations related to the physical limitations of the described

**AGREEMENT OF CAPACITY LEASE AND OPERATING AGREEMENT**

**AGREEMENT OF CAPACITY LEASE**

This Agreement of Capacity Lease and Operating Agreement ("AGREEMENT") is made and entered into this 7th day of March, 1996, by and between Mid-America Pipeline Company, the Lessor, a Delaware corporation ("MAPL"), and Farmland Industries, Inc., the Lessee, a Kansas corporation ("Farmland").

**W I T N E S S E T H:**

WHEREAS, MAPL owns and operates pipelines and appurtenant facilities throughout a substantial portion of the United States; and

WHEREAS, MAPL owns and operates a segment of pipeline and appurtenant facilities (herein "Leased Facilities") located between Coffeyville, Kansas and El Dorado, Kansas; and

WHEREAS, Farmland desires to lease the capacity of such described pipeline and appurtenant facilities between Coffeyville, Kansas and El Dorado, Kansas, which are owned and operated by MAPL; and

WHEREAS, MAPL is ready, willing and able to lease to Farmland the capacity of such described pipeline and appurtenant facilities between Coffeyville, Kansas and El Dorado, Kansas.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES, AND OF THE MUTUAL COVENANTS HEREIN CONTAINED, MAPL AND FARMLAND COVENANT AND AGREE AS FOLLOWS:

**ARTICLE I**

**LEASED PIPELINE CAPACITY**

1.1 MAPL leases to Farmland the entirety of the capacity of the pipeline and appurtenant facilities between Coffeyville, Kansas and El Dorado, Kansas, more particularly described on Exhibit A attached hereto, and made a part hereof, and all of the capacity included therein

pipelines and appurtenant facilities between Coffeyville, Kansas and El Dorado, Kansas, as more specifically delineated on Exhibit A, attached hereto and made a part hereof. For purposes of example, and not by way of limitation, capacity related to such described pipeline and appurtenant facilities included within this AGREEMENT has permitted transportation on an annual basis of volumes in excess of 3,000,000 barrels.

## ARTICLE II

### EFFECTIVE DATE AND TERM

2.1 This AGREEMENT shall become effective as of the date such AGREEMENT is made and entered into or the date the KCC issues its Order pursuant to Paragraph 20 of the Settlement and Mutual Release Agreement among Farmland, Mid-America Pipeline Company and MAPCO Intrastate Pipeline Company, Inc., whichever date is later, and shall be for a term extending from and including January 1, 1997 through and including December 31, 1999.

## ARTICLE III

### LEASE PAYMENTS

3.1 Farmland agrees to pay MAPL for the herein described capacity lease of the described pipeline and appurtenant facilities, as follows:

A. Payments by Farmland for utilization of the herein described pipeline and appurtenant facilities for the period of calendar year 1997, shall be made pursuant to the following schedule: A payment, by Cashier's Check, in the amount of \$89,500 on the date that this AGREEMENT is made and entered into; on August 1, 1996, a payment, by Cashier's Check, in the amount of \$60,500; on or before the fifth calendar day of each of the

following listed months of 1997, a payment of \$25,000 per month:

July, August, September, October, November and December, 1997.

B. For calendar years 1998 and 1999, on or before the fifth day of each month, a payment of \$25,000 per month.

3.2 If the entirety of the leased capacity (Exhibit A) is made available for less than a full month, and such unavailability of capacity impairs Farmland's ability to transport all the petroleum products that it would and could have reasonably transported during such month in the pipeline leased herein, the described monthly payment (or in the case of calendar year 1997, then the average monthly payment, when annualized) shall be the regular monthly payment as set forth herein, times a fraction, the numerator of which shall be the number of days such pipeline capacity was made available, and the denominator of which shall be the total number of days in such month.

3.3 In the event Farmland shall fail to pay any amount due MAPL when the same is due, interest thereon shall accrue at a varying rate per annum (based on a year of 365 or 366 days, as the case may be) which shall be equal to the lesser of (i) 16%, or (ii) the maximum non-usurious interest rate under Kansas law, for any period during which the same shall be overdue, such interest to be paid when the amount past due is paid. If such failure to pay continues for 90 days after any such payment is due and after MAPL's written notice to Farmland, MAPL may terminate this Agreement. Nothing herein shall require that Farmland shall pay interest on any amount, if Farmland has challenged such amount in writing, and such amount contended to be due and owing by MAPCO from MAPL is ultimately determined to be in error; provided, however, interest shall be due on any amount claimed to be due and owing by MAPCO from MAPL, or portion thereof, challenged by Farmland but not found to be in error. In addition, if just a portion of any amount claimed to be

due and owing by MAPL is challenged, Farmland shall pay when due and owing, the portion of any amount claimed by MAPL, which is not challenged.

### 3.4

3.4.1 During the period of any event of force majeure which event lasts continuously for ninety (90) days or less, the obligations (other than the obligation to remedy such event of force majeure as set forth in Article VIII hereof) of Farmland and MAPL hereunder shall be suspended; provided, however, that Farmland's obligation to pay for pipeline capacity leased hereunder during such period of force majeure shall be extinguished.

3.4.2 During the period of any event of force majeure which event lasts continuously for ninety one (91) days or more, Farmland, may, at its sole option: (a) terminate this AGREEMENT or (b) commence making payments as required hereunder for the period commencing on such ninety first day in which case this AGREEMENT shall continue in full force and effect including, without limitation, the parties' obligations set forth in Article VIII hereof to remedy such event so far as possible with reasonable dispatch; provided, however, that Farmland, may at its sole option, cease payments at any time after such ninety first day and terminate this AGREEMENT.

3.5 In addition to these Capacity Lease Payments described in ARTICLES 3.1, 3.2 and 3.3, Farmland shall be solely responsible for payment for the electricity required to operate the new pump (to be purchased at the sole expense of MAPL) to be installed within ninety days subsequent to the execution of this AGREEMENT, at or near the Farmland Coffeyville, Kansas Refinery. Farmland and MAPL agree that

Paragraph 8 of the Settlement and Mutual Release Agreement between Mid-America Pipeline Company, MAPL Intrastate Pipeline Company, Inc., and Farmland Industries, Inc. is incorporated herewith and made a part hereof.

#### ARTICLE IV

##### RECEIPT AND DELIVERY POINTS

4.1 Petroleum products delivered into or caused to be delivered into the Leased Facilities by Farmland shall enter the Leased Facilities (Exhibit A) "at the inlet side of the metering and measurement facilities of MAPL at or near Farmland's Refinery plant gate at Coffeyville, Kansas" (the pipeline "Receipt Points").

4.2 Petroleum products delivered out of (from) or caused to be delivered out of (from) by Farmland shall leave the herein described Leased Facilities hereunder, at the following pipeline "Delivery Points":

A. The outlet side of the metering and measurement facilities of MAPL into the current receiving pipeline or appurtenant facilities of Kanab Pipe Line Operating Partnership, L.P. ("Kanab") at or near El Dorado, Kansas.

B. At additional Delivery Points out of the Leased Facilities, to be designed, engineered, and constructed at the expense of, or on behalf of Farmland. Such additional Delivery Points, as described in this subpart shall be and remain the sole property of Farmland, or Farmland's designee. Any such additional Delivery Point(s), as described in this subpart, shall be at no cost to MAPL, shall meet regulatory and industry standards as to construction and operation, and shall be further subject to the engineering review and reasonable approval of MAPL. There shall

be no obligation on the part of MAPL to operate, maintain or repair such additional Delivery Point(s). Provided, however, MAPL shall operate its facilities (Exhibit A) to reasonably accommodate deliveries to such additional Delivery Points under terms and conditions set forth in the Form of Interconnection Agreement attached hereto at Exhibit C; provided, however, that in the event of any conflict between Exhibit C and this AGREEMENT, this AGREEMENT shall control. MAPL shall be under no obligation to handle product interfaces at Receipt Points or Delivery Points nor to account for over/short measurements which do not arise from product losses as a result of the failure of pipeline integrity.

#### ARTICLE V

##### TITLE TO PETROLEUM PRODUCTS

5.1 It is understood and agreed that petroleum products contained in the leased capacity of the pipeline and appurtenant facilities (Exhibit A) leased hereunder shall be at all times owned by, and title held by, Farmland or its designee.

#### ARTICLE VI

##### OPERATION OF PIPELINE

6.1 Operation of the described pipeline and appurtenant facilities (Exhibit A) subject to this AGREEMENT shall be in accordance with Exhibit B (Operating Agreement) attached hereto and made a part hereof, said Operating Agreement having a term commensurate with this AGREEMENT.

#### ARTICLE VII

##### TAXES

7.1 MAPL shall be responsible for any and all real estate taxes levied by any authority on the facilities (Exhibit A) described in this



AGREEMENT. If Farmland is required by law to pay any such real estate taxes, such payment(s) shall be credited against the monthly payments due pursuant to Article III until such credit is extinguished.

#### ARTICLE VIII

##### FORCE MAJEURE

8.1 If either MAPL or Farmland is rendered unable by force majeure, or any other cause of any kind not reasonably within its control, wholly or in part, to perform or comply with any obligations or conditions of this AGREEMENT (other than Farmland's obligation to make payments due hereunder, as may be conditioned by Article 3.4), upon either MAPL or Farmland, as the case may be, giving timely notice and reasonably full particulars to the other Party, such obligation or condition shall be suspended during the continuance or the specific inability so caused, and such Party shall be relieved of liability and shall suffer no prejudice for failure to perform the same during such period. The cause of suspension (other than strikes or differences with workmen) shall be remedied so far as possible with reasonable dispatch.

Settlement of strikes and differences with workmen shall be wholly within the discretion of the party having difficulty. The Party having difficulty shall notify the other Party of any change in circumstances giving rise to the suspension of its performance and of its resumption of performance under this AGREEMENT.

8.2 The term "force majeure" shall include, without limitation by the following enumeration: Acts of God and the public enemy, the elements, fire, accidents, explosions, breakdowns, strikes, differences with workmen, and any other industrial, civil or public disturbance, failure to obtain necessary government authorizations, any act or omission beyond the control of the party having the difficulty, and

restrictions or restraints imposed by laws, orders, rules, regulations, or acts of any government or governmental body or authority, civil, or military, the necessity or desirability of making repairs or alterations of machinery, equipments of lines of pipe, freezing of equipment, or lines of pipe, and any other causes, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming suspension. Force majeure likewise includes: (i) in those instances when either Party hereto is required to obtain servitudes, rights-of-way grants, permits or licenses to enable such Party to acquire, or the delays on the part of such Party in acquiring, at reasonable costs and after the exercise of reasonable diligence, such servitudes, rights-of-way, grants, permits, or licenses, and (ii) in those instances where either Party is required to furnish materials, supplies, or equipment for construction, installing, or maintaining facilities or equipment, or is required to secure permits or permission from any governmental agency, federal, state or local, civil or military, to enable such Party to fulfill its obligations hereunder, the inability of such Party to acquire or install or both, supplies, equipment, permits and permission.

8.3 Maintenance and repair shall, so far as is reasonably possible, not interfere with the full use of the capacity lease of the pipeline and appurtenant facilities (Exhibit A) hereunder, and when reasonably scheduled and conducted, shall not constitute force majeure. MAPL shall use its best efforts to conduct routine maintenance and repair in a reasonable manner, including the scheduling thereof, to enable Farmland uninterrupted and full use of the Leased Facilities (Exhibit A).

**ARTICLE IX****LIABILITY**

9.1 MAPL shall be responsible for repair and replacement of the Leased Facilities for loss or physical damage (Exhibit A), including equipment necessary to carry out MAPL's performance under this AGREEMENT; provided, however, that MAPL will not be responsible for such repair and replacement of loss or physical damage to the percentage extent caused by the negligence, willful misconduct or breach of this AGREEMENT by Farmland.

**ARTICLE X****WARRANTIES**

10.1 MAPL warrants that at all times during the term of this AGREEMENT, the pipeline and appurtenant facilities (Exhibit A) will be maintained and operated by MAPL in compliance with applicable statutes, regulations, rules, directives, and orders of any and all federal, state, or local governmental entities.

10.2 Farmland warrants that at all times during the term of this AGREEMENT, the additional Delivery Points will be maintained and operated by or on behalf of Farmland in compliance with applicable statutes, regulations, rules, directives, and orders of any and all federal, state or local governmental entities.

10.3 Farmland warrants that all necessary corporate action has been taken that is necessary for Farmland to enter into and perform its obligations under this AGREEMENT, and that to the best of Farmland's knowledge, there is no legal impediment that exists to its performance hereunder.

10.4 MAPL warrants that all necessary corporate action has been taken that is necessary for MAPL to enter into and perform its

obligations under this AGREEMENT, and that to the best of MAPL's knowledge, there is no legal impediment that exists to its performance hereunder.

#### ARTICLE XI

##### GOVERNMENTAL RULES AND REGULATIONS

11.1 This AGREEMENT shall be subject to all present and future federal, state, and local governmental laws, orders, directives, rules and regulations of any such governmental body or official having jurisdiction, and neither Farmland nor MAPL has or will knowingly undertake or knowingly cause to be undertaken any activity which would conflict with such laws, orders, directives, rules or regulations; provided, however, that nothing herein shall be construed to restrict or limit either Farmland's or MAPL's right to object to or contest any such law, order, directive, rule or regulations.

#### ARTICLE XII

##### ASSIGNMENT

12.1 The terms and provisions of this AGREEMENT shall be binding upon and inure to the benefit of the successors, assigns, and legal representatives of MAPL and Farmland. Neither Farmland nor MAPL may assign this AGREEMENT, or any of its rights or obligations hereunder, without the prior written consent of the other Party, but such consent to assignment will not be unreasonably withheld. However, this AGREEMENT may be assigned without the consent of the non-assigning Party to an affiliate or subsidiary, a related entity thereto, or a joint venture, limited or general partnership, limited liability company or corporation, in which MAPL or Farmland, or any affiliates, subsidiaries, or related entities thereto own an interest of at least 35% of such

assignee, or by MAPL or Farmland in conjunction with a sale of all or substantially all of the petroleum-related assets of either MAPL or Farmland. Any assignment consented to, or permitted hereunder, shall not relieve the assignor from its rights and obligations under this AGREEMENT. Any assignment which is made contrary to the provisions of this Article XII shall be void.

#### ARTICLE XIII

##### NOTICES

13.1 Except when otherwise provided herein, any notice, request, demand, or other communication ~~provided for in this AGREEMENT~~, shall be in writing, and shall be deemed given only "upon receipt" when sent in the following, permitted manner: Facsimile, telex, overnight delivery service (Federal Express, UPS, Airborne Express, or U.S. Postal Service) or U.S. Postal Service Certified Mail, return receipt requested, postage prepaid, and directed to MAPL or Farmland as follows:

**MAPL:**

Mid-America Pipeline Company  
1800 South Baltimore Avenue  
P. O. Box 645  
Tulsa, Oklahoma 74101  
Attn: President  
Facsimile #918/591-1470

**FARMLAND:**

Vice President - Petroleum Division  
Farmland Industries, Inc.  
3315 North Oak Trafficway  
P. O. Box 7305  
Kansas City, Missouri 64116  
Facsimile #816/459-5922

13.2 Either MAPL or Farmland may, from time to time, change the address or designee for notification under this ARTICLE by notice thereof to the other Party by Certified Mail, return receipt requested, of such change.

## ARTICLE XIV

COUNTERPART EXECUTION

14.1 This AGREEMENT may be executed in any number of counterparts, no one of which need to be executed by all parties, or may be ratified, adopted or consented to by separate instrument, in writing specifically referring hereto, and shall be binding upon all parties who execute a counterpart, ratification, adoption or consent with the same force and effect, and to the same extent as if all such Parties had executed and signed the same document, and with each separate counterpart, ratification, adoption or consent deemed to be an original.

## ARTICLE XV

MISCELLANEOUS

15.1 No waiver by either MAPL or Farmland of any default by the other under this AGREEMENT shall operate as a waiver of any future default, whether of like or different character or nature. Farmland and MAPL shall each use their best efforts to mitigate any damages hereunder.

15.2 The numbering and titling of particular provisions of this AGREEMENT are for the purposes of facilitating administration and shall not be construed as having any substantive effect on the terms of this AGREEMENT.

15.3 The terms of this AGREEMENT shall be construed according to the laws of the State of Kansas.

15.4 The various articles, paragraphs, sections, provisions and clauses of this AGREEMENT are severable. The invalidity of any portion hereof shall not affect the validity of any other portion of, or the entire AGREEMENT.

15.5 MAPL and Farmland each agree to fully waive any right they may have to seek and collect punitive, consequential, indirect, and special damages from the other Party, but each Party shall retain the right to seek and collect actual damages from the other Party for breach of this AGREEMENT.

15.6 MAPL and Farmland agree that they will execute, acknowledge and deliver an Affidavit in a recordable form setting forth the existence of this AGREEMENT, such that same Affidavit may be recorded among the Land Records of the Counties wherein the pipeline and appurtenant facilities (Exhibit A) leased hereunder are situated. If such Affidavit is recorded, such recording and like charges shall be paid by Farmland.

15.7 In interpreting this AGREEMENT, it is acknowledged by MAPL and Farmland that this AGREEMENT was prepared jointly by the Parties, and not by either Party to the exclusion of the other Party, and that in preparing this AGREEMENT, each Party had access to and advice of its own counsel.

15.8 Farmland shall file a tariff with the KCC for the transportation of petroleum products from the Coffeyville Refinery to El Dorado, Kansas, covering such transportation during the period January 1, 1997, through December 31, 1999. MAPL will cooperate as necessary with the preparation and filing of such tariff and will support the approval of such tariff at the KCC. Upon Farmland's reasonable request, MAPL will provide any information or document as may be requested by Farmland in order for Farmland to comply with any applicable statutes, regulations or orders of the KCC.

15.9 The OPERATING PROCEDURES AGREEMENT between Mid-America Pipeline Company and Farmland Industries, Inc., dated December 14, 1994, shall remain in full force and effect. In the event of conflict between

said OPERATING PROCEDURES AGREEMENT and the SMRA or AGREEMENT OF CAPACITY LEASE AND OPERATING AGREEMENT, the SMRA or AGREEMENT OF CAPACITY LEASE AND OPERATING AGREEMENT shall be controlling.

IN WITNESS WHEREOF, this Agreement of Lease and Operating Agreement is executed in duplicate originals as of the day and year first above written.

MID-AMERICA PIPELINE COMPANY

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Assistant Secretary  
Mid-America Pipeline Company

FARMLAND INDUSTRIES, INC.

By: Robert L. Horne  
Title: Group Vice President Ag Input Business  
Date: March 8, 1996 *HC*  
*PL*

Attest:

*[Signature]*  
Assistant Secretary  
Farmland Industries, Inc.



said OPERATING PROCEDURES AGREEMENT and the SMRA or AGREEMENT OF CAPACITY LEASE AND OPERATING AGREEMENT, the SMRA or AGREEMENT OF CAPACITY LEASE AND OPERATING AGREEMENT shall be controlling.

IN WITNESS WHEREOF, this Agreement of Lease and Operating Agreement is executed in duplicate originals as of the day and year first above written.

MID-AMERICA PIPELINE COMPANY

By: [Signature]

Title: PRESIDENT W4

Date: MARCH 7, 1996

Attest:

[Signature]

Assistant Secretary  
Mid-America Pipeline Company

FARMLAND INDUSTRIES, INC.

By: [Signature]

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Assistant Secretary  
Farmland Industries, Inc.

STATE OF \_\_\_\_\_ )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

BEFORE ME, the undersigned, a Notary Public in and for said State, on this \_\_\_\_ day of \_\_\_\_\_, 1996, personally appeared \_\_\_\_\_, to me known to be the same person who subscribed his name as \_\_\_\_\_ on behalf of Mid-America Pipeline Company to the foregoing instrument, and acknowledged to me that he, being authorized so to do, executed the same as his free and voluntary act and deed, for the uses and purposes therein set forth.

GIVEN under my hand and seal of office the day and year first above written.

\_\_\_\_\_  
Notary Public

My Appointment Expires:  
\_\_\_\_\_

STATE OF Missouri )  
 ) SS.  
COUNTY OF Clay )

BEFORE ME, the undersigned, a Notary Public in and for said State, on this 8th day of March, 1996, personally appeared Robert W. Hense, to me known to be the same person who subscribed his name as Robert W. Hense on behalf of Farmland Industries, Inc. to the foregoing instrument, and acknowledged to me that he, being authorized so to do, executed the same as his free and voluntary act and deed, for the uses and purposes therein set forth.

GIVEN under my hand and seal of office the day and year first above written.

Leslie L. Hinthorn  
Notary Public

My Appointment Expires:

\_\_\_\_\_  
LESLIE L. HINTHORN  
Notary Public - State of Missouri  
Commissioned in Clay County  
My Commission Expires Feb. 8, 1997

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

BEFORE ME, the undersigned, a Notary Public in and for said State, on this \_\_\_\_\_ day of \_\_\_\_\_, 1996, personally appeared \_\_\_\_\_, to me known to be the same person who subscribed his name as \_\_\_\_\_ on behalf of Mid-America Pipeline Company to the foregoing instrument, and acknowledged to me that he, being authorized so to do, executed the same as his free and voluntary act and deed, for the uses and purposes therein set forth.

GIVEN under my hand and seal of office the day and year first above written.

\_\_\_\_\_  
Notary Public

My Appointment Expires:  
\_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

BEFORE ME, the undersigned, a Notary Public in and for said State, on this \_\_\_\_\_ day of \_\_\_\_\_, 1996, personally appeared \_\_\_\_\_, to me known to be the same person who subscribed his name as \_\_\_\_\_ on behalf of Farmland Industries, Inc. to the foregoing instrument, and acknowledged to me that he, being authorized so to do, executed the same as his free and voluntary act and deed, for the uses and purposes therein set forth.

GIVEN under my hand and seal of office the day and year first above written.

\_\_\_\_\_  
Notary Public

My Appointment Expires:  
\_\_\_\_\_

EXHIBIT A

Description of Outbound Transportation Facilities between Coffeyville, Kansas and El Dorado, Kansas:

One 107 miles pipeline from Coffeyville, Kansas to El Dorado, Kansas, six inches (6") in diameter, pumping and measuring equipment and appurtenant facilities.

**EXHIBIT B****OPERATING AGREEMENT****BETWEEN**

**MID-AMERICA PIPELINE COMPANY  
and  
FARMLAND INDUSTRIES, INC.**

<b><u>Table of Contents</u></b>	<b><u>Page</u></b>
<b>SECTION 1 .....</b>	<b>B-1</b>
<b><u>SERVICES</u> .....</b>	<b>B-1</b>
<b>SECTION 2 .....</b>	<b>B-2</b>
<b><u>OPERATIONS AND DISPATCHING SERVICES</u> .....</b>	<b>B-2</b>
<b>SECTION 3 .....</b>	<b>B-4</b>
<b><u>COMPENSATION AND PAYMENT</u> .....</b>	<b>B-4</b>
<b>SECTION 4 .....</b>	<b>B-4</b>
<b><u>EQUIPMENT, LABOR, AND MATERIALS</u> .....</b>	<b>B-4</b>
<b>SECTION 5 .....</b>	<b>B-4</b>
<b><u>RELEASE AND INDEMNITY</u> .....</b>	<b>B-4</b>
<b>SECTION 6 .....</b>	<b>B-5</b>
<b><u>INDEPENDENT CONTRACTOR</u> .....</b>	<b>B-5</b>
<b>SECTION 7 .....</b>	<b>B-6</b>
<b><u>OWNERSHIP OF THE LEASED FACILITIES</u> .....</b>	<b>B-6</b>

OPERATING AGREEMENT

## SECTION 1

SERVICES

1.1 MAPL shall, as needed, operate, maintain, timely inspect, timely test, timely repair and timely replace, the pipeline and appurtenant facilities (Exhibit A to the AGREEMENT of Capacity Lease ("AGREEMENT"), the capacity of which is leased hereunder pursuant to the AGREEMENT (the "Leased Facilities") in a good and workmanlike manner in accordance with prudent pipeline industry standards and practices and in accordance with all applicable laws and regulations, rules, orders and directives, of any and all applicable federal, state, and local governmental entities.

1.2 MAPL shall receive petroleum products from or on behalf of Farmland into the Leased Facilities from Receipt Points, transport petroleum products received from or on behalf of Farmland through the Leased Facilities, and deliver out of (from) the Leased Facilities at the Delivery Points those petroleum products transported by or on behalf of Farmland. Said Receipt Points and Delivery Points shall be those points as defined in ARTICLE IV of the AGREEMENT, and transportation shall be through the Leased Facilities as those pipeline(s) and appurtenant facilities are described in ARTICLE I of the AGREEMENT, and as more specifically delineated on Exhibit A to the AGREEMENT.

1.3 MAPL shall maintain all required safety and other records and timely file all required reports with any regulatory or government agency having jurisdiction over the operation, maintenance, repair,

replacement, inspection, and testing of the Leased Facilities. Such described safety and other records of this subpart shall be available for inspection by Farmland or its authorized agents at the regular business hours of the MAPL office where such records are maintained on file, upon reasonable prior notice by Farmland to MAPL as to the inspection of such records.

## SECTION 2

## OPERATIONS AND DISPATCHING SERVICES

2.1 Farmland shall provide MAPL an estimate of the quantities of petroleum products and a description of such petroleum products (i.e. motor gasoline, diesel, etc.) scheduled for receipt into, and delivery out of (from) the Leased Facilities for each calendar month, on or before the 28th day of the preceding calendar month. Such volumes shall be estimates and projections only, and shall be subject to amendment by Farmland. Separate from, and in addition to such calendar month estimates and projections, upon at least eight hours' prior written notice, Farmland shall notify MAPL of actual volumes requested to be received into the Leased Facilities, and the volumes and the point(s) of delivery out of (from) the Leased Facilities, such volumes of petroleum products as tendered by or on behalf of Farmland into the Leased Facilities. Pursuant to the terms and conditions of this AGREEMENT, MAPL will use its best efforts to receive petroleum products tendered by Farmland into the Leased Facilities, and deliver out of (from) the Leased Facilities such petroleum products at the Delivery Point(s), in compliance with the receipt, transport, and delivery instructions (dispatching instructions) of Farmland.

2.2 Dispatching instructions may be made orally by Farmland to MAPL, but shall be promptly confirmed in writing by facsimile, to the following:

**MAPL:**

ATTENTION: Danny Myers  
Mid-America Pipeline Company  
1800 South Baltimore Avenue  
P. O. Box 645  
Tulsa, Oklahoma 74101  
FACSIMILE #918/560-9113

Such dispatching instructions of Farmland to MAPL, shall be confirmed as to receipt and scheduled shipping confirmation, by MAPL to Farmland, orally, but if orally, by the prompt written confirmation by facsimile to:

**FARMLAND:**

ATTENTION: Rodd Holman  
Farmland Industries, Inc.  
Coffeyville, Kansas, Refinery  
North Linden Street  
P. O. Box 570  
Coffeyville, Kansas 67337  
FACSIMILE # 316/251-1456

Both MAPL and Farmland shall use their best efforts to give as much advance notice of dispatching instructions as is reasonably possible so that receipt, transportation, and delivery of petroleum products pursuant to the AGREEMENT may be conducted in a good and workmanlike manner, consistent with good industry practices in the petroleum industry.

**SECTION 3**

**COMPENSATION AND PAYMENT**



3.1 The compensation for MAPL's services provided under this Operating Agreement for the Leased Facilities, shall be included as a portion of that amount payable under ARTICLE III of the AGREEMENT.

#### SECTION 4

##### EQUIPMENT, LABOR, AND MATERIALS

4.1 MAPL shall furnish all necessary equipment, qualified labor and supervisory employees, contract services, materials, supplies, consumables, etc., required in performing services under this AGREEMENT.

#### SECTION 5

##### RELEASE AND INDEMNITY

5.1 MAPL shall be responsible for and shall fully indemnify Farmland against all liabilities and claims of any nature or kind whatsoever, for injury and damages to persons or property, in any way related to MAPL's operation, maintenance, repair, replacement, inspection, and testing of the Leased Facilities (Exhibit A to the AGREEMENT), including, but not limited to injury and damages related to the leaking, escaping from, releasing, spilling, or loss of petroleum products from the Leased Facilities pursuant to this Agreement of Capacity Lease and Operating Agreement. By way of example, and not by way of limitation, MAPL shall be solely responsible for, and shall completely indemnify Farmland against any and all liabilities and claims and damages (including attorneys' fees incurred by Farmland related to injury and damages described in this subpart, as well as fines, penalties, and payments for remediation of any type) for injury and damages to persons or property, for violation or alleged violation in

any manner related to the "Environmental Laws." The term "Environmental Laws" shall mean any and all laws, statutes, ordinances, rules, regulations, orders, directives, or determinations of any nature whatsoever of any governmental entity in any manner related to health, conservation, environment, or environmental protection in effect in any and all jurisdictions in which the Leased Facilities are located. By way of example, but not by way of limitation, Environmental Laws shall include the Federal Clean Air Act, as amended, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), as amended, the Federal Occupational Safety and Health Act of 1970, as amended, the Federal Resource Conservation and Recovery Act of 1976 ("RCRA"), as amended, the Federal Safe Drinking Water Act, as amended, the Federal Toxic Substances Control Act, as amended, the Federal Superfund Amendments and Re-authorization Act of 1986, as amended, and the Federal Hazardous Materials Transportation Act, as amended. The provisions of this Section 5.1 shall not apply to the percentage extent that such liability arises from Farmland's negligence, willful misconduct or breach of AGREEMENT.

## SECTION 6

### INDEPENDENT CONTRACTOR

6.1 MAPL shall act as an independent contractor insofar as the performances of services under the AGREEMENT is concerned. To that end, MAPL shall employ and direct such personnel as it requires to perform said services called for under the AGREEMENT of Capacity Lease and Operating Agreement; shall secure any and all permits that may be required in order to perform the services contemplated under the

AGREEMENT and this Operating Agreement except any tariff approval which may be required by Farmland for its utilization of the leased capacity; shall exercise full and complete authority over its personnel engaged in performing the services contemplated under the Agreement of Capacity Lease and Operating Agreement; shall comply with all workmen's compensation, employer's liability and other federal, state, county and municipal laws, ordinances, rules and regulations required of an employer performing services as contemplated under the Agreement of Capacity Lease and Operating Agreement; and shall make all reports, pay all payroll-related taxes, and remit all withholding or other deductions from the compensation paid its personnel as may be required by any federal, state, county or municipal law, ordinance, rule or regulation.

#### SECTION 7

##### OWNERSHIP OF THE LEASED FACILITIES

7.1 It is understood and agreed that the Leased Facilities may be utilized by Farmland only pursuant to the Agreement of Capacity Lease and Operating Agreement, and that all pipeline and appurtenant facilities that comprise the Leased Facilities (Exhibit A to the AGREEMENT), shall at all times during the term of the Agreement of Capacity Lease and Operating Agreement shall remain titled in the name of and be the property of MAPL.

7.2 Any and all maintenance, operation, inspection, testing, repairs, or replacement of portions of the Leased Facilities shall be made at the sole expense of MAPL, and Farmland shall have no responsibility for payments to MAPL with regard to such matters under

the Agreement of Capacity Lease and Operating Agreement, except as specifically set forth in ARTICLE III of the Agreement of Capacity Lease as Lease Payments.

Exhibit C  
Form of

INTERCONNECTION AGREEMENT

This Interconnection Agreement is made and entered into by and between \_\_\_\_\_ Pipeline Company ("Pipeline") and Mid-America Pipeline Company ("MAPL") for the interconnection of Pipeline's \_\_\_\_\_ pipeline system (the "System") with MAPL's \_\_\_\_\_ pipeline (the "\_\_\_\_\_") at MAPL's \_\_\_\_\_ Station located in \_\_\_\_\_ County, \_\_\_\_\_.

WHEREAS, Pipeline is now the owner of the System referenced above and Pipeline and MAPL desire to connect the System to MAPL's \_\_\_\_\_ in order to provide NGL transportation from origins on the System to destinations on MAPL's pipeline system.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth below, and other valuable considerations, the parties agree as follows:

1. INTERCONNECT AND MEASUREMENT FACILITY

- 1.1 Pipeline, at its own cost, will install, own, and operate an interconnect between the System and the \_\_\_\_\_ at or near MAPL's \_\_\_\_\_ Station with the exact location to be mutually agreed to by the parties (the "Interconnect"). MAPL will install, own, and operate at the Interconnect a measurement facility consisting of a turbine meter, densimeter, continuous sampler and microprocessor capable of computing a flowing mass ("Measurement Facility"). MAPL will provide isolated sections for electronic flow and pressure indicators in which Pipeline may connect, at Pipeline's own expense, the remote readings.

- 1.2 MAPL presently owns and operates a pump and 8" connecting pipeline that extends from Pipeline's Station to MAPL's \_\_\_\_\_ Station. This pump and connecting pipeline are depicted on the attached drawing designed \_\_\_\_\_ MAPL, by execution of this Agreement, grants to Pipeline the right to use the pump and that portion of the connecting pipeline and associated equipment which lies between Pipeline's \_\_\_\_\_ Station and the insulating flange that is upstream of the Measurement Facility located at MAPL's \_\_\_\_\_ Station. Pipeline will own, operate, and maintain, including appropriate cathodic protection, that portion of the connecting pipeline. MAPL will be responsible in a like manner for the connecting pipeline which lies downstream of the insulating flange.

- 1.3 The Measurement Facility will be operated in accordance with MAPL's Custody Transfer Measurement Procedure attached as Exhibit "A." To the extent amendments are dictated by industry practices, governmental regulations, or the reasonable operational requirements of MAPL, MAPL reserves the right to amend this procedure from time to time, and revised procedures shall govern 30 days after written notice is provided to Pipeline. Product custody transfer will take place at the meter under the control of MAPL. Pipeline will have the right to witness all meter readings and instrument calibrations. Pipeline will pay only for unscheduled meter readings requested by Pipeline and found to be within acceptable limits according to the attached Exhibit "A."

- 1.4 Pipeline will be responsible for the operation, maintenance, and repair of pumping units capable of delivering product to the Interconnect at a maximum pressure of \_\_\_\_\_ psig. Pipeline will provide the necessary relief devices to limit the maximum delivery pressure at the Interconnect to \_\_\_\_\_ psig. Pipeline shall operate and inspect these devices consistent with 49 CFR 195. MAPL shall have the right to witness all inspections of such devices, and Pipeline shall provide 48 hour advance notice of the inspections.

2. MAPL'S OBLIGATIONS

- 2.1 MAPL will continue to operate and maintain the \_\_\_\_\_ from the Interconnect to MAPL's Cushing Station near Cushing, Kansas.

2.2 Pipelines will notify MAPL of Pipeline's installation schedule and will coordinate between companies in order to facilitate installation. Pipeline, at its own cost, will install, own, and operate a meter operated valve on Pipeline's portion of the connecting pipelines in order to facilitate deliveries to and from the Measurement Facility.

2.3 MAPL will provide Pipeline any equipment across MAPL's property that may be necessary for Pipeline's installation and operation of the Interconnect and Measurement Facility.

### 3. PRODUCT DELIVERY SCHEDULING

3.1 Product delivered by Pipelines to MAPL at the Interconnect shall meet MAPL's specifications attached as Exhibit "A." To the extent manufacturers are directed by industry practices, governmental regulation, or the reasonable operational requirements of MAPL, MAPL reserves the right to amend those specifications from time to time, and revised specifications shall be effective for all deliveries subsequent to the date Pipelines receives notice of the change.

3.2 All receipts from Pipelines at the Interconnect will be subject to scheduling by MAPL.

3.3 As between the parties, Pipelines shall assume all liability for the loss of product and for expenses arising out of or in any way related to the transportation of product that occur or arise prior to custody transfer delivery to MAPL at the Interconnect. Likewise, as between the parties, and subject to the terms of applicable tariffs, MAPL shall assume liability for the loss of product and for expenses arising out of or in any way related to the transportation of product that occur or arise after the custody transfer receipt from Pipelines at the Interconnect and prior to custody transfer delivery as a receiving facility. Provided, however, that each party shall be responsible for any loss of product and for expenses arising out of or in any way related to the respective party's negligence, willful misconduct, or failure to abide by the terms and conditions of this Agreement.

### 4. TERM

4.1 This Agreement shall be effective upon MAPL's execution and have an initial term of 10 consecutive years beginning upon initiation of shipments on the System. This Agreement shall continue year-to-year after the initial term unless canceled by either party upon 60 days' written notice prior to the beginning of a yearly renewal period.

### 5. TARIFFS

5.1 Pipelines and MAPL will file a joint tariff (assuming Pipelines as a participating carrier) from all origin points on the System to MAPL's                      facilities. Terms, conditions, and rates of the joint tariff shall be as depicted in the joint tariff form which is attached as Exhibit "C." This tariff is subject to change from time to time upon the mutual consent of both parties.

### 6. FORCE MAJEURE

6.1 No failure or omission by a party to this Agreement to carry out or observe any of the provisions of this Agreement, other than the payment of money, shall give rise to any claim against such party or be deemed a breach of the Agreement if such failure or omission arises from events of force majeure. Events of force majeure shall be deemed to be acts of God, epidemics, fires, floods, acts of regulation by any governmental authority, strikes, labor disturbances, delays in matters of transportation, civil unrest, war, breakdowns of machinery or facilities (whether total or partial), mechanical breakdown or vandalism and any other event which a party is unable to prevent or overcome by the exercise of reasonable diligence. If an event of force majeure renders a party unable to perform any of its obligations under this Agreement,

then upon giving notice and full particulars of such event of force majeure to the other party as soon as is practical after the event occurs, including the particulars of the affected party's reasonable diligence in attempting to eliminate the force majeure situation, performance shall be suspended for the duration of the event of force majeure provided that the party claiming force majeure exercises reasonable diligence to resolve the event of force majeure. Any strike or labor difficulties may be addressed by the affected party in its own discretion without regard to reasonable diligence. During the initial term of this Agreement, any events of force majeure shall extend the initial term for the same period of time as the duration of the force majeure unless otherwise mutually agreed by the parties in writing. Notwithstanding the above, to the extent that this Paragraph 6.1 is in any manner in

## 7. APPLICABLE LAWS AND REGULATIONS

- 7.1 The parties warrant and agree that facilities identified in this Agreement as owned and operated by each party shall be in compliance throughout the term of this Agreement with all applicable local, state, and federal laws, regulations, rules, orders, directives and codes, licenses and permits that apply to the ownership, operation, and maintenance of such facilities. Each party indemnifies the other party for any liability which may arise from the indemnifying party's non-compliance. If any provision of this Agreement or the performance of any party is prevented, abrogated, or substantially modified by lawful government action or court order, the parties will endeavor in good faith to modify this Agreement so that it may continue in effect. However, should the parties be unable to reach mutually agreeable terms in order to perpetuate this Agreement, then a party may terminate its respective obligations upon 30 days' prior written notice.

## 8. GENERAL PROVISIONS

- 8.1 All exhibits attached to this Agreement and all applicable tariffs, are incorporated herein by reference, and this Agreement constitutes the entire agreement between the parties concerning the referenced matters, and supersedes any other oral or written agreements relating to such matters.
- 8.2 Neither this Agreement nor any interest herein may be assigned by either party without the prior written consent of the other. This consent requirement shall not apply to an assignment to the successor of either party when such succession results by way of merger, consolidation, or the sale of all or substantially all of the assets of such party, in which event all of the terms and conditions hereof shall be fully binding upon and inure to the benefit of the successor(s). Any attempt to assign without the required consent shall be void. Notwithstanding the above, to the extent that this Paragraph 8.1 is in any manner in conflict with the Assignment provisions of the LEA
- 8.3. If any dispute should arise between the parties under the terms of this Agreement, then, as a condition precedent to either party commencing a suit or action in regard to such dispute, and within 30 days of notice from either party, the dispute shall be submitted to a non-binding alternative dispute resolution ("ADR") process. Any ADR shall be conducted in a manner to render a decision or recommendation within 120 days of commencement of such ADR, shall be governed by the procedures of the Center for Public Resources, and shall be conducted in Tulsa, Oklahoma. Although any decision regarding the dispute is non-binding, any decision regarding allocation of the cost of ADR shall be binding and final between the parties.
- 8.4 This Agreement shall be construed in accordance with the laws of the State of \_\_\_\_\_ without regard to conflicts of law.
- 8.5 Each party shall maintain a true and correct set of records pertaining to its performance of this Agreement and all transactions related thereto. Each party further agrees to retain all such records for a period of not less than two (2) years after completion of performance under this Agreement. Any party may audit, copy, and inspect any and all such records of the other party at any reasonable time or times during performance of this Agreement and during the two (2) year period after performance.

<sup>1</sup> conflict with the force majeure provisions of the Agreement of Capacity Lease and Opera Agreement (LEASE AGREEMENT) between Farmland Industries, Inc. and Mid-America Pipeline Company, the LEASE AGREEMENT shall control.

<sup>2</sup> AGREEMENT between Farmland Industries, Inc. and Mid-America Pipeline Company, the LEASE

IN WITNESS WHEREOF, the parties have executed and deemed this Agreement to be effective as of the day and year indicated below by MAFL's execution.

"MAFL"

MID-AMERICA PIPELINE COMPANY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

"PIPELINE"

\_\_\_\_\_ PIPELINE COMPANY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



AMENDMENT TO AGREEMENT OF CAPACITY LEASE AND OPERATING AGREEMENT

THIS AMENDMENT TO AGREEMENT OF CAPACITY LEASE AND OPERATING AGREEMENT is made and entered into this 20<sup>th</sup> day of September, 1999, but made effective as of the 30<sup>th</sup> day of March, 1998 (the "Effective Date"), by and between Mid-America Pipeline Company ("MAPL"), Williams Energy Services ("WES") formerly known as Williams Energy Group and Farmland Industries, Inc. ("Farmland").

WHEREAS, Farmland, MAPL and MAPCO Intrastate Pipeline Company, Inc. ("MAPI") entered into a SETTLEMENT AND MUTUAL RELEASE AGREEMENT, effective as of the 7<sup>th</sup> day of March, 1996; and

WHEREAS, Farmland and MAPL entered into an AGREEMENT OF CAPACITY LEASE AND OPERATING AGREEMENT, effective as of the 7<sup>th</sup> day of March, 1996; and

WHEREAS, such AGREEMENT OF CAPACITY LEASE AND OPERATING AGREEMENT between Farmland and MAPL, effective as of the 7<sup>th</sup> day of March, 1996, was incorporated by reference into the SETTLEMENT AND MUTUAL RELEASE AGREEMENT between Farmland, MAPL, and MAPI, and Farmland, MAPL and MAPI deemed the AGREEMENT OF CAPACITY LEASE AND OPERATING AGREEMENT to be an integral part of, and a part of the consideration for, such SETTLEMENT AND MUTUAL RELEASE AGREEMENT; and

WHEREAS, MAPI was merged into MAPL's parent company, MAPCO Natural Gas Liquids Inc. (now known as Williams Natural Gas Liquids, Inc.); and

WHEREAS, effective March 30, 1998, MAPCO Inc. ("MAPCO") and its subsidiaries (including (MAPL) became wholly owned subsidiaries of The Williams Companies, Inc. ("Williams") (the "MAPCO/Williams Reorganization"); and

WHEREAS, Farmland and WES ("WES"), on February 12, 1998, agreed to certain business arrangements in the event of the consummation of the then proposed merger between Williams and MAPCO, including certain amendments to the SETTLEMENT AND MUTUAL RELEASE

AGREEMENT and AGREEMENT OF CAPACITY LEASE AND OPERATING AGREEMENT, all such certain business arrangements as evidenced by a Letter Agreement dated February 12, 1998, which is attached hereto and made a part hereof;

NOW, THEREFORE, consistent with the described Letter Agreement dated February 12, 1998, and in consideration thereof, Farmland, MAPL and WES agree as follows:

1. Paragraph No. 1.2 of the AGREEMENT OF CAPACITY LEASE, shall be deleted in its entirety, and shall have no further force and effect, and in its place and stead in such AGREEMENT OF CAPACITY LEASE shall be the following Paragraph No. 1.2:

1.2 For the term of this AGREEMENT, Farmland shall have, without limitation, the right to transport any type of petroleum products, whether refined petroleum products or otherwise, including, but not limited to, motor gasoline, diesel fuel, heating oil, aviation gasoline, propane, butane, isobutane, and refinery grade butane, SAT Gas Isobutane, hydrobon condensate or other non-corrosive mix stream products (including, but not limited to, PP mix) (such listed products, and others not so listed, to be defined in the same or similar manner as defined in common petroleum industry usage). Such petroleum products will be of similar specifications to those published specification requirements of the pipelines receiving petroleum products from the Leased Facilities as they may exist from time to time; provided, however, that no petroleum products may be tendered for the first time to nor transported for the first time after the Effective Date on the Leased Facilities which petroleum products will be delivered from the Leased Facilities to a connecting pipeline without Farmland first providing to MAPL written acceptance from such connecting pipeline of the petroleum products specification provided for in this Section 1.2.

2. Paragraph No. 2.1 of the AGREEMENT OF CAPACITY LEASE, shall be deleted in its entirety, and shall have no further force and effect, and in its place and stead in such AGREEMENT OF CAPACITY LEASE shall be the following Paragraph No. 2.1:

2.1 The AGREEMENT OF CAPACITY LEASE AND OPERATING AGREEMENT shall be for a term extending from January 1, 1997, through a period the end date of which is determined at the option of Farmland in accordance with the option of Farmland as provided for in Paragraph No. 5 of the AMENDMENT TO SETTLEMENT AND MUTUAL RELEASE AGREEMENT between Farmland, MAPL and WES, which may extend the term, at the option of Farmland, to a date no later than December 31, 2012.

3. Paragraph No. 3.1B of the AGREEMENT OF CAPACITY LEASE, shall be deleted in its entirety, and shall have no further force and effect, and in its place and stead in such AGREEMENT OF CAPACITY LEASE shall be the following Paragraph No. 3.1B:

3.1B For calendar years 1998 and 1999, on or before the 5<sup>th</sup> day of each month, a payment of \$25,000 per month. If Farmland elects at its option to extend the AGREEMENT OF CAPACITY LEASE for the period January 1, 2000 through December 31, 2002, during such period, on or before the 5<sup>th</sup> day of each month, a payment of \$25,000 per month. If Farmland elects at its option to extend the AGREEMENT OF CAPACITY LEASE for the period January 1, 2003 through December 31, 2007 (or any part of such period), during such period, on or before the 5<sup>th</sup> day of each month, a payment of \$27,083.33 per month. If Farmland elects at its option to extend the AGREEMENT OF CAPACITY LEASE for the period January 1, 2008 through December 31, 2012 (or any part of such period), during such period, on or before the 5<sup>th</sup> day of each month, a payment of \$29,166.66 per month.

4. Paragraph No. 13.1 of the AGREEMENT OF CAPACITY LEASE, shall be deleted in its entirety, and shall have no further force and effect, and in its place and stead in such AGREEMENT OF CAPACITY LEASE shall be the following Paragraph No. 13.1:

13.1 Except when otherwise provided herein, any notice, request, demand, or other communication provided for in this AGREEMENT, shall be in writing, and shall be deemed given only "upon receipt" when sent in the following, permitted manner: Facsimile, telex, overnight delivery service (Federal Express, UPS, Airborne Express, or U.S. Postal Service) or U.S. Postal Service Certified Mail, return receipt requested, postage prepaid, and directed to MAPL, WES or Farmland as follows:

WES:	Williams Energy Services One Williams Center P. O. Box 2848 Tulsa, Oklahoma 74101 Attn: President
MAPL:	Mid-America Pipeline Company 1800 South Baltimore Tulsa, Oklahoma 74119-5284 Attn: Vice-President
FARMLAND:	Farmland Industries, Inc. 3315 North Oak Trafficway P. O. Box 7305 Kansas City, Missouri 64116 Attn: E. S. Gross Department 62

Except as amended herein, the AGREEMENT OF CAPACITY LEASE AND OPERATING AGREEMENT shall continue in full force and effect, in accordance with all of the terms contained therein.

IN WITNESS WHEREOF, Farmland, WES and MAPL have duly executed this AMENDMENT TO AGREEMENT OF CAPACITY LEASE AND OPERATING AGREEMENT on the date set forth above.

FARMLAND INDUSTRIES, INC.

By: *Robert B. Terry*

Title: Executive VP & COO

Date: 11/3/99

Attest:

*Robert B. Terry*  
Assistant Secretary  
Farmland Industries, Inc.

MID-AMERICA PIPELINE COMPANY

By: *Robert B. Terry*

Title: Vice President - NG

Date: October 6, 1999

*Stephen R. Springer*

Attest:

*Brian K. Shore*  
Assistant Secretary  
Mid-America Pipeline Company



WILLIAMS ENERGY SERVICES

By: *Robert B. Terry*

Title: Vice President - NG

Date: October 6, 1999

*Stephen R. Springer*

Attest:

*Brian K. Shore*  
Assistant Secretary



## **AMENDMENT TO AGREEMENT OF CAPACITY LEASE AND OPERATING AGREEMENT**

This Amendment to Agreement of Capacity Lease and Operating Agreement ("Amendment") is entered into as of September 1, 2005, by and between Mid-America Pipeline Company, LLC ("MAPL") and Coffeyville Resources Refining & Marketing, LLC ("Coffeyville").

MAPL and Coffeyville are parties to that certain Agreement of Capacity Lease and Operating Agreement dated March 7, 1996 (as previously amended September 20, 1999) (the "Agreement") which is hereby incorporated for all purposes, including, without limitation, the meaning attributed to terms not otherwise defined in this Amendment.

Coffeyville and MAPL have agreed to certain changes in the terms of the Agreement and the parties wish to amend the Agreement accordingly.

In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, MAPL and Coffeyville agree to amend the Agreement as of the Amendment Effective Date as follows:

1. Section 2.1 of the Agreement is hereby deleted in its entirety and the following substituted in lieu thereof:

"The term of this Agreement shall commence on January 1, 1997 and shall expire on September 30, 2011, unless sooner terminated as provided herein. Notwithstanding anything to the contrary herein, this Amendment shall not become effective ("Amendment Effective Date") until the effective date (as "Effective Date" is therein defined) of that certain Pipeage Contract between Mid-America Pipeline Company, LLC and Coffeyville Resources Refining & Marketing, LLC, dated September 1, 2005."

2. The last two sentences of Section 3.1B of the Agreement are hereby deleted and the following substituted in lieu thereof:

"For the period of January 1, 2003 through the Amendment Effective Date, during such period, on or before the 5<sup>th</sup> day of each month, a payment of \$29,166.66 per month. For the period from the Amendment Effective Date through September 30, 2011, during such period, on or before the 5<sup>th</sup> day of each month, a payment of \$66,666.66 per month."

3. A new Section 1.4 of the Agreement is hereby added as follows:

"The following terms shall have the meanings set forth below:

A. "Annual Period" shall mean each calendar year during the term of this Agreement. For those periods during this Agreement that are less than a calendar year (i.e., a portion of 2005 and a portion of 2011), all references to "Annual Period" shall mean that portion of the year, as compared to an entire calendar year and all rights and obligations shall be proportionately modified. For example, if this Agreement commences on September 1, 2005, all references to "Annual Period" for 2005 shall refer to the period of September 1 through December 31, 2005.

B. "Governmental Laws" shall mean, insofar as they apply to and are required for the continued operation of Carrier's Leased Facilities, all applicable federal, state, and local constitutions, laws, statutes, treaties, common law, ordinances, regulations, rules, permits, licenses, guidelines, requests for information, injunctions, judgments, decrees, or orders promulgated or issued by any national, federal, regional, state, provincial, county, municipal or local government or court, arbitrator, tribunal or commission, whether U.S. or foreign, or the government of any political subdivision of any of the foregoing, or any entity authority, agency, ministry or other similar body exercising executive, legislative, judicial, taxing, regulatory or administrative authority or functions of or pertaining to government, including any authority or other quasi-governmental entity established to perform such functions.

C. "Existing Governmental Laws" shall be defined to mean Governmental Laws that existed (and as they existed) on or before September 1, 2005.

D. "New Governmental Laws" shall be defined to mean Governmental Laws that are promulgated and effective after September 1, 2005.

E. "Amended Governmental Laws" shall be defined to mean Existing Governmental Laws that are amended or supplemented subsequent to September 1, 2005 so long as such amendment or supplement effects a substantive change to the prior existing Governmental Law.

F. "Permitted Costs" shall be defined to be those costs incurred after September 1, 2005 required for compliance with Governmental Laws, including New Governmental Laws, Existing Governmental Laws and Amended Governmental Laws. Permitted Costs shall be specified in detail and shall be strictly limited to mandatory engineering, design, labor, installation and materials costs for the governmentally mandated upgrades themselves and shall not include any operation or maintenance of any kind related to the ongoing operation of such upgrades. Permitted Costs shall not include any administrative and general overhead expenses (including, without limitation, office space, furniture and supplies, expenses associated with materials procurement, legal, human resources, controller's systems and information systems).

*DS*

4. A new Section 3.1C of the Agreement is added as follows:

"Lease Payments in addition to those Lease Payments set forth in Sections 3.1A and B ("Additional Lease Payments") shall be calculated, and shall be due and payable as follows:

1. MAPL shall utilize the following procedure to specify and substantiate the Permitted Costs for compliance with Governmental Laws on a project by project basis:

(a) MAPL shall specify the Governmental Law requiring the expenditure.

(b) MAPL shall provide to Coffeyville MAPL's accounting detail of the estimated costs required, in MAPL's reasonable discretion, to be incurred in order to be in compliance with the Governmental Law.

Notwithstanding anything to the contrary herein, the provisions of this Section 3.1C1.(a) and (b) shall not apply to the MOP Work (as defined below).

2. With respect to any Permitted Costs that are incurred after September 1, 2005 as a result of Existing Governmental Laws, MAPL shall accumulate all Permitted Costs for each Annual Period, and shall calculate the product of the Permitted Costs incurred during such Annual Period multiplied by 15%, (each such amount, an "Existing Laws Permitted Cost Recovery Amount"). For each Annual Period during the term of the Agreement, Coffeyville shall pay, in accordance with Section 3.1C4, the lesser of (i) \$390,000 or (ii) the sum of all of the Existing Laws Permitted Cost Recovery Amounts. For the avoidance of doubt, the Parties recognize and agree that (x) subsequent to the Amendment Effective Date, MAPL will perform any work required to return the maximum operating pressure of the Leased Facilities to its original level of 1440 psig (the "MOP Work"); (y) the MOP Work is being performed as a result of Existing Governmental Laws and costs associated therewith are Permitted Costs, and (z) Coffeyville shall pay Permitted Costs associated with the MOP Work in accordance with the terms of this Section 3.1C2. Carrier shall use its commercially reasonable efforts to complete the MOP Work on or before December 31, 2005.

3. With respect to any Permitted Costs that would be incurred after September 1, 2005, that are required as a result of New Governmental Laws and/or Amended Governmental Laws:

(a) Such Permitted Costs shall be estimated by MAPL and such estimate shall be provided to Coffeyville, along with a reference to the Governmental Laws that require such expenditures and reasonable support for the estimated expenditures. Coffeyville shall have the right, to be exercised by written notice within thirty (30) days of its receipt of such estimated Permitted Costs from

MAPL, to elect not to pay such Permitted Costs. If Coffeyville makes such written election not to pay such Permitted Costs, either Party, upon written notice to be given within thirty (30) days' following Coffeyville's election not to pay such Permitted Costs, may terminate this Agreement, which termination will be effective thirty (30) days following Coffeyville's election not to pay such Permitted Costs.

(b) If Coffeyville does not make such election as provided in Section 3.2C3(a), then MAPL shall accumulate all Permitted Costs for each Annual Period and shall calculate the product of the Permitted Costs incurred during such Annual Period multiplied by 15%, (each such amount, a "New Laws Permitted Cost Recovery Amount"). For each Annual Period during the term of the Agreement, Coffeyville shall pay, in accordance with Section 3.1C4, the sum of all of the New Laws Permitted Cost Recovery Amounts.

4. MAPL shall invoice Coffeyville within ninety (90) days subsequent to each Annual Period for all payments required to be made by Coffeyville for such Annual Period pursuant to Sections 3.1C2 and 3.1C3. All payments under this Agreement shall be made by Coffeyville within thirty (30) days of the date of each invoice.

5. All accounting detail related to such Permitted Costs shall be maintained by MAPL for a period of at least two (2) years and shall be available to Coffeyville for its review and audit during normal working hours at MAPL's office and upon reasonable notice to MAPL."

6. The following example illustrates how payment would be calculated for hypothetical Permitted Costs (and assumes Coffeyville did not exercise its election not to pay the Permitted Costs incurred in 2006 and 2007). If MAPL incurs Permitted Costs of \$3,000,000 for 2005 as a result of *Existing Governmental Laws*; \$2,000,000 for 2006 as a result of *Amended Governmental Laws*; and \$1,250,000 for 2007 as a result of *New Governmental Laws*, the Existing Laws Permitted Cost Recovery Amount and New Laws Permitted Cost Recovery Amounts would be calculated as follows:

For Permitted Costs incurred during 2005:  
Existing Laws Permitted Cost Recovery Amount is  $\$3,000,000 \times 15\% = \$450,000$ , capped at  $\$390,000 = \$390,000$

For Permitted Costs incurred during 2006:  
New Laws Permitted Cost Recovery Amount is  $\$2,000,000 \times 15\% = \$300,000$

For Permitted Costs incurred during 2007:  
New Laws Permitted Cost Recovery Amount is  $\$1,250,000 \times 15\% = \$187,500$ ,



and payment would be made by Coffeyville to MAPL as follows:

In 2006, MAPL would invoice and Coffeyville would pay \$390,000.

In 2007, MAPL would invoice and Coffeyville would pay \$690,000 (\$390,000 plus \$300,000).

In 2008, MAPL would invoice and Coffeyville would pay \$877,500 (\$390,000 plus \$300,000 plus \$187,500).

Assuming no further Permitted Costs were incurred during the term of this Agreement, MAPL would invoice, each succeeding year during the term of the Agreement, and Coffeyville would pay, \$877,500.

5. A new sentence shall be added to the end of Section 4.2B as follows:

"Notwithstanding anything to the contrary herein, MAPL agrees to the additional pipeline interconnections described in Exhibit D which is incorporated herein by this reference."

6. A new Section 6.2 of the Agreement is hereby added as follows:

"In order to minimize any disruption of Coffeyville's utilization of the Leased Facilities, MAPL agrees as follows:

A. MAPL will provide at least thirty (30) days prior written notice to Coffeyville of any scheduled maintenance, repair, or replacement operations that may reduce or suspend Coffeyville's utilization of the Leased Facilities; and

B. MAPL shall use commercially reasonable efforts to perform any maintenance, repair or replacement operations of MAPL, whether scheduled or unscheduled, in a manner that results in the least disruption of Coffeyville's utilization of the Leased Facilities, as is consistent with good business practice in the pipeline industry."

7. Section 13.1 of the Agreement is hereby deleted in its entirety and the following substituted in lieu thereof:

"Any and all notices or official communications between the parties given under or in relation to this Agreement shall be made in writing and shall be deemed to have been properly given if: (i) personally delivered (with written confirmation of receipt); (ii) delivered and confirmed by telecopier or like transmission service; (iii) delivered by a recognized overnight courier delivery service (with delivery fees prepaid); or (iv) sent by certified United States mail (postage prepaid, return receipt requested), in each case to the appropriate address set forth below:

If to Coffeyville:

Coffeyville Resources Refining & Marketing, LLC  
10 East Cambridge Circle Drive, Suite 250  
Kansas City, Kansas 66103  
Attn: Chief Operating Officer  
Facsimile: 913-981-0000

If to MAPL:

Mid-America Pipeline Company, LLC  
2727 North Loop West  
Houston, Texas 77008  
Attn: Chief Legal Officer  
Facsimile: 713-880-6570"

8. Section 15.8 of the Agreement is hereby amended by adding the following thereto:

"As required from and after the Amendment Effective Date, Coffeyville shall file any tariff necessary to comply with any Governmental Law."

All terms, conditions and provisions of the Agreement are continued in full force and effect and shall remain unaffected and unchanged except as specifically amended hereby. The Agreement, as amended hereby, is hereby ratified and reaffirmed by the parties hereto who specifically acknowledge the validity and enforceability thereof.

[Signatures on following page]

IN WITNESS WHEREOF, each of the parties has executed this Amendment by its duly authorized representative on the dates indicated below.

Mid-America Pipeline Company, LLC

By: 

Name: James M. Collingsworth

Title: Senior Vice President

Date Signed: 9/02/05

Coffeyville Resources Refining & Marketing, LLC

By:  

Name: Stanley A. Ricciana

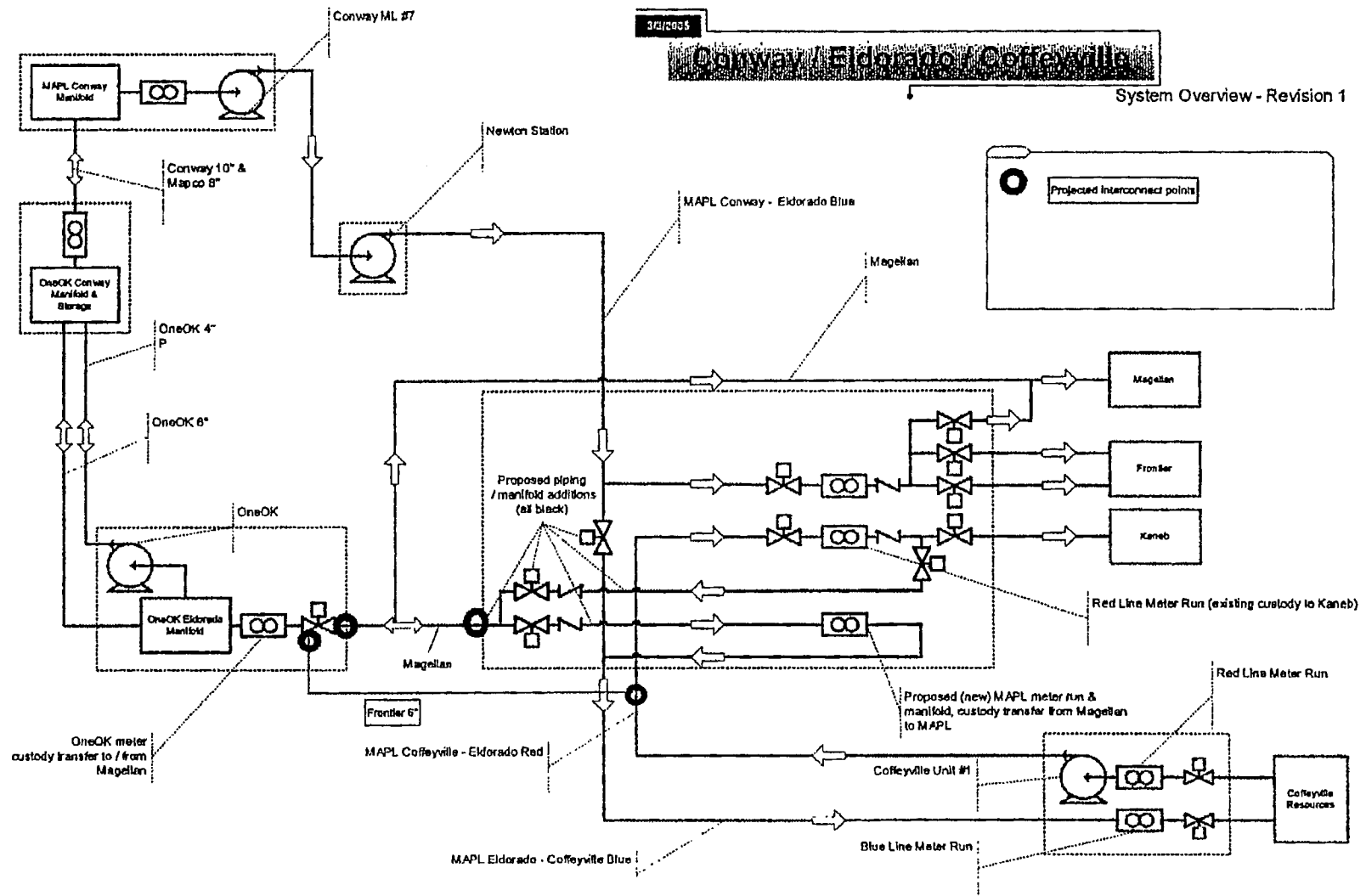
Title: COO

Date Signed: 8-29-05

**EXHIBIT D**  
**PIPELINE INTERCONNECTION(S)**

**[ATTACHED]**

ML



EVN

## **EXHIBIT F**

**THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

Before Commissioners: Mark Sievers, Chairman  
Ward Loyd  
Thomas E. Wright

In the Matter of the Application of Mid- )  
America Pipeline Company, LLC for the )  
Establishment of Initial General Commodity ) Docket No: 12-MDAP-068-RTS  
Transportation Rates on Its Conway to )  
Coffeyville and Coffeyville to El Dorado )  
Segments. )

**ORDER DENYING MAPL'S REQUEST FOR INTERIM RELIEF**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the files and being fully advised of all matters of record, the Commission summarizes the arguments of the parties and finds and concludes as follows:

**I. Background**

1. On July 25, 2011, Mid-America Pipeline Company, LLC (MAPL) filed an Application, Motion for Temporary Waiver of Filing Requirement, and Request for Interim Rates Subject to Refund to establish rates for transportation service under K.S.A. 66-117, K.S.A. 66-1,217, and K.A.R. 82-10-2. MAPL's Motion requested a temporary waiver of K.A.R. 82-10-2, which requires prefiled testimony to be filed simultaneously with the filing of the Application, and asked that the Commission allow MAPL to file testimony on August 19, 2011. Application, Motion for Temporary Waiver of Filing Requirement, and Request for Interim Rates Subject to Refund, July 25, 2011, paragraphs 8-9 (Application, ¶¶ 8-9). The Commission granted MAPL's request to temporarily waive commencement of the 30-day and 240-day time periods provided under K.S.A. 66-117 for review of MAPL's Application for cost-based rates and interim rates

until August 19, 2011, to allow for MAPL to file its testimony in this matter. Order Granting Motion(s) for Temporary Waiver of Filing Requirement of K.A.R. 82-10-2 and Waiver of 30-Day Notice Requirement of K.A.R. 82-1-214; and Agreeing to Temporary Waiver of Time Periods Provided for under K.S.A. 66-117, August 17, 2011.

2. Due to the expiration on September 30, 2011, of the Capacity Lease, the Pipeage Contract and the incentive rate program related to the two pipelines at issue in this proceeding, MAPL asked that its proposed initial general commodity rates become effective October 1, 2011, as interim rates in an Order issued by the Commission no later than September 19, 2011. MAPL stated the interim rates would be subject to a refund plus interest based upon the difference, if any, between the interim rates and the final rates approved by the Commission in this docket. Application, ¶¶ 6-7.

3. The Application notes that Coffeyville refinery, which is owned by Coffeyville Resources Refining & Marketing, LLC (Coffeyville Resources), which is wholly owned by CVR Energy, Inc., is the sole shipper of natural gas liquids on the Inbound Line from Conway to Coffeyville. Coffeyville Resources leases all capacity on the Outbound Line, which transports refined petroleum products from Coffeyville to El Dorado. Application, ¶¶ 4-6. In its Application, MAPL noted that it has attempted to negotiate new rates with Coffeyville Resources since mid-2010, but those efforts have been unsuccessful. Application, ¶ 9.

## **II. Interim Relief**

### *A. MAPL's Request*

4. As noted above, MAPL requested the Commission issue an Order no later than September 19, 2011, approving interim rates effective October 1, 2011, for MAPL's Inbound and Outbound Lines consistent with the rates set forth in MAPL's K.C.C. No. 13. Application, ¶



6. MAPL stated its proposed interim rates are based upon cost-of-service information contained in its Application, and would be subject to a refund plus interest based upon the difference, if any, between the interim rates and the final rates approved by the Commission. Application, ¶ 6. MAPL filed witness testimony on August 19, 2011, arguing that it is appropriate for the Commission to grant the request for interim rates.

5. Michael J. Webb, a senior manager with Regulatory Economics Group, LLC providing testimony on behalf of MAPL, asserted that the Commission has laid out requirements for setting interim rates, and cited two Commission Orders from previous dockets<sup>1</sup> and a Kansas Supreme Court case<sup>2</sup> reviewing a Commission Order from another previous docket. Webb asserted these requirements are:

- (1) The regulated entity must first make a *prima facie* showing that current rates are no longer just and reasonable, using acceptable methods of accounting procedures in determining and allocating the costs and rate bases.
- (2) Whether an interim rate should be granted during the pendency of a rate application ordinarily depends on whether irreparable harm would result to the regulated entity by reason of a distinctive and sudden deficiency in revenue that is not subject to recovery.
- (3) Ultimately, the determination as to whether to grant interim rates is within the sound discretion of the Commission, within the perimeter of reasonableness, and justice to the regulated entity and those served by it.

Direct Testimony of Michael J. Webb, August 19, 2011, pages 46-47 (Webb Direct, pp. 46-47).

Webb analyzed each of the stated requirements, and concluded that MAPL had demonstrated its proposed cost-of-service interim rates would be appropriate. Webb Direct, p. 51.

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<sup>1</sup> See Direct Testimony of Michael J. Webb, August 19, 2011, pages 46-47 (Webb Direct, pp. 46-47) (citing Docket No. 04-AQLE-1065-RTS and Docket No. 126,922-U)

<sup>2</sup> *Kansas-Nebraska Natural Gas Company, Inc. v. The State Corporation Commission*, 217 Kan. 604 (1975).

6. Webb stated that his cost-of-service calculations contained in the workpapers in his testimony meet the first requirement of making a *prima facie* case that the current rates are no longer just and reasonable using acceptable methods of accounting. Webb Direct, pp. 47-48. Webb also stated that due to the expiration on September 30, 2011, of the lease agreement on the Outbound Line and the existing incentive rate on the Inbound Line, MAPL will not be able to provide service or earn any revenue if interim rates are not approved. Webb Direct, p. 48.

7. As to the second requirement, Webb asserted the existing rates on the lines are insufficient to permit MAPL to recover its costs and earn a reasonable rate of return, claiming the achieved return on equity is dramatically lower than any reasonable assessment of the just and reasonable returns for equity holders. Webb Direct, pp. 48-49. Webb stated that failure to allow MAPL to charge just and reasonable interim rates will have a significant and long-lasting impact on its return, and that the impact on Coffeyville Resources would be minimal because the interim rates would be subject to refund plus interest. Webb Direct, pp. 49-50.

8. MAPL responded to filings made by Staff and Coffeyville Resources, discussed *infra*, stating that it has demonstrated that it meets the *Kansas-Nebraska* standard. Mid-America Pipeline Company, L.L.C.'s Response to Reply and Response of Coffeyville Resources Refining and Marketing, L.L.C. and Reply of Staff, September 14, 2011, paragraph 1 (MAPL Reply, ¶ 1). It argued that the level of interim rates should be based upon the cost-of-service data proposed in its testimony, because (1) it has submitted current and actual cost-of-service information upon which rates can be based, (2) there is no cost-of-service information supporting a different rate, (3) the current rates result in a distinct and sudden deficiency in revenue, and (4) proposed interim rates are subject to refund, plus interest, based upon final rates approved by the Commission. MAPL Reply, ¶¶ 3-7. MAPL also disagreed with Staff's position regarding the

removal from interim rates of rate case expense, stating that the amount included in the Application was based on past litigation costs associated with the lines. MAPL Reply, ¶ 8.

*B. Staff's Report and Recommendation*

9. Staff recommended the Commission grant MAPL's request for interim rate relief and approve interim rates, subject to refund plus interest, effective October 1, 2011, for MAPL's Inbound Route and Outbound Line. Staff stated the proposed interim rates are cost-of-service based and would be subject to a refund plus interest based upon the difference, if any, between the interim rates and final rates approved by the Commission. Notice of Filing of Staff Report and Recommendation, August 26, 2011.

10. Staff provided an overview and background to this docket, and noted that MAPL operates as an intrastate liquids pipeline common carrier in the State of Kansas under its current tariff, K.C.C. No. 12, and transports natural gas liquids throughout Kansas. MAPL moves product from Conway to Coffeyville under a Pipeage Contract with Coffeyville Resources in association with a Volume Incentive Rate Program published in its current tariff. MAPL also moves product from Coffeyville to El Dorado and leases the capacity to Coffeyville Resources through an Amended Agreement of Capacity Lease and Operating Agreement (Amended Agreement). Report and Recommendation, August 25, 2011, page 2 (Staff Report, p. 2). Staff acknowledged the Commission approved the Pipeage Contract and the Amended Agreement on November 22, 2005, in Docket No. 06-MDAP-428-TAR (06-428 Order). Staff Report, p. 4.

11. Staff stated it is within the Commission's discretion to determine whether the interim rate relief requested by MAPL is within the perimeter of reasonableness and justice to the regulated entity, as well as the shippers it serves. Staff Report, p. 4. Staff stated that due to the expiration of the Pipeage Contract and the Amended Agreement on September 30, 2011, there

will be no rates in place on the Inbound Route and lease payments to MAPL on the Outbound Line will end, and thus Commission approval of interim rates is necessary to prevent MAPL from experiencing sudden and distinctive deficiency in revenue. Staff Report, pp. 6-7.

12. After a review of the Application, Staff concluded MAPL had presented a *prima facie* case to support its request for interim rates and to prevent MAPL from suffering irreparable harm. Staff Report, p. 5. Staff recommended approval of MAPL's request for interim rate relief of \$1.82 per barrel on the Inbound Route and \$3.41 per barrel on the Outbound Route, effective October 1, 2011, and subject to refund plus interest. Staff Report, p. 8. Staff adjusted its recommendation in its reply to arguments by Coffeyville Resources, by removing the rate case expense adjustment for interim rate purposes; this adjustment would decrease the interim rate from \$1.82 to \$1.65 per barrel on the Inbound Route and \$3.41 to \$3.20 per barrel on the Outbound Route. Staff's Reply to Response of Coffeyville Resources Refining & Marketing, LLC, September 9, 2011, paragraph 7 (Staff Reply, ¶ 7).

C. *Coffeyville Resources' Position*

13. Coffeyville Resources opposed MAPL's request for interim rates and Staff's recommendation for approval. Reply of Coffeyville Resources Refining and Marketing, LLC to (1) Notice of Filing of Staff Report and Recommendation, Filed August 26, 2011; and (2) Report and Recommendation, as Submitted to the Commissioners of the Kansas Corporation on August 26, 2011, September 6, 2011, paragraph 4 (CR Response, ¶ 4). Coffeyville Resources argued against the setting of interim rates in this docket, stating that MAPL did not meet the burden set forth in the standards governing interim relief provided in the *Kansas-Nebraska* case, and failed to demonstrate it would experience any change in revenue that would require interim rates. CR Response, ¶¶ 46, 53.

14. Coffeyville Resources stated that the existing rates, terms and conditions of service for both pipeline segments were found by the Commission to be just and reasonable, pursuant to the Commissions 06-428 Order, until and unless the Commission approves different rates or terms and conditions of service. CR Response, ¶ 1. It argued that MAPL was entitled to file an Application at any time to change the rates and/or terms and conditions of service of the pipeline segments to be effective October 1, 2011, and that its failure to do so in a timely manner does not justify interim rates. CR Response, ¶ 42. It also argued that there is no Kansas statute that provides for interim rates, and that approving such would be a denial of due process since there would be no opportunity to cross-examine witnesses. CR Response, ¶¶ 50-53. Coffeyville Resources stated that the pipeline integrity costs MAPL requests are for testing and pipeline repairs that have not been made and for which no payments have been made. CR Response, ¶ 1.

15. Coffeyville Resources addressed the issue of the expiration of the agreements as of September 30, 2011, and disagreed with MAPL's and Staff's statements that no rates would be in place after that date and thus Commission approval of interim rates was necessary to prevent MAPL from experiencing a sudden and distinctive deficiency in revenue. CR Response, ¶¶ 9-11. It argued that pursuant to K.S.A. 66-117, the rates approved by the Commission in the 06-428 Order are determined to be just and reasonable, and cannot be changed, or withdrawn, without approval of the Commission. CR Response, ¶¶ 10, 34. Additionally, it stated that the initiation of intrastate transportation service attaches a public service obligation to the facilities because they affect the public interest, and that the expiration of the Pipeage Contract and Amended Agreement does not affect the obligation to serve. CR Response, ¶¶ 23-24. It acknowledged that the revenue MAPL receives associated with Coffeyville Resources refinery

will remain unchanged because the effective rates and lease payments will remain unchanged without Commission action. CR Response, ¶ 41.

16. Coffeyville Resources filed a pleading responding to Staff's Reply, where Staff recommended removing the estimated \$5 million in rate case expense in the calculation of interim rates. Response of Coffeyville Resources Refining & Marketing, LLC to Staff's Reply Dated September 9, 2011, September 12, 2011 (CR Second Response). Coffeyville Resources further developed several arguments presented in its initial Response, and stated that pursuant to K.S.A. 66-117(d): "[T]here is a Commission approved tariff in place on both the Inbound Route and Outbound Line that will continue indefinitely until and unless the Commission orders new rates or permits a tariff to be withdrawn." CR Second Response, ¶ 2. Coffeyville Resources contends that it is required to continue to pay the current Commission-approved rates for its shipments until the Commission orders otherwise. CR Second Response, ¶ 3.

### III. Findings and Conclusions

17. The Commission agrees that the *Kansas-Nebraska* standard is the appropriate authority by which the Commission has discretion to determine whether requested interim rate relief is appropriate. "[W]hether an interim rate should be granted pending final decision should ordinarily depend on whether irreparable harm would result to the utility by reason of a distinctive and sudden deficiency in revenue which is not subject to recovery." *Kansas-Nebraska Natural Gas Co. v. State Corporation Commission*, 217 Kan. 604, 614 (1975). In this instance, MAPL, as the Applicant, has the burden of making a *prima facie* showing that its current rates are no longer just and reasonable and interim rate relief is necessary. *Id.*, at 615.

18. The Commission finds and concludes that MAPL's request for interim rate relief as set forth in MAPL's K.C.C. No. 13 must be denied. The Commission approved the tariff,

Pipeage Contract and the Amended Agreement on November 22, 2005 in Docket No. 06-MDAP-428-TAR, which was a Joint Application by MAPL and Coffeyville Resources. Pursuant to K.S.A. 66-117, the existing tariffs, rates and lease payments are required to remain in effect following the expiration of the Pipeage Contract and Amended Agreement until otherwise ordered by the Commission. Coffeyville Resources itself agrees that it is required to continue to pay the current rates as approved by the Commission for its shipments until the Commission orders otherwise.

19. MAPL has not made a *prima facie* showing that its current Commission-approved rates are no longer just and reasonable, and thus has not met the burden set forth in the *Kansas-Nebraska* standard by showing that irreparable harm would result to it due to a distinctive and sudden deficiency in revenue. The tariffs, rates and lease payments that were approved by the Commission in the 06-428 Docket as just and reasonable will remain in effect after September 30, 2011, until and if the Commission otherwise orders in this docket after a full examination of MAPL's Application. As the parties are well aware, Kansas statutes require consent of the Commission to make changes to any rates, tolls, charge, classification or schedule of charges or joint rates. K.S.A. 66-117(d).

20. In addition, the U.S. Supreme Court has consistently held that a showing of whether utility rates are too low, and thus no longer just and reasonable and need to be replaced with higher rates, requires a demonstration that such rates are *so low as to adversely affect the public interest*, as where it might impair the financial ability of the public utility to continue its service, cast upon other consumers an excessive burden, or be unduly discriminatory. *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956), and *FPC v. Sierra Pacific Power Co.*, 350 U.S. 348 at 354-355 (1956), affirmed by the Supreme Court in *Morgan Stanley*

*Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County, Washington*, 554 U.S. 527 (2008) and *NRG Power Marketing, LLC v. Maine Public Utilities Commission*, \_\_\_ U.S. \_\_\_, 130 S. Ct. 693 (2010). MAPL's assertions regarding its need for interim rate relief do not meet the heavy public interest showing required by the U.S. Supreme Court in utility cases involving a showing of whether a rate change is "just and reasonable." For example, there has been no showing that simply continuing the existing rates through the pendency of a rate case would impair the financial ability of MAPL to continue its service.

21. The Commission finds that MAPL has not demonstrated a distinctive and sudden deficiency in its revenue, since the rates and lease payments set forth in the Pipeage Contract and Amended Agreement remain effective until the Commission takes further action during the pendency of these proceedings. The Commission agrees with the statement of Coffeyville Resources that MAPL was always permitted to file an Application asking the Commission approve an increase in rates, with an effective date of October 1, 2011, and which would allow for a detailed Commission review of all matters of record. While the Commission indeed has the authority to grant interim rates, it may only do so when an Applicant has shown irreparable harm would result by reason of a distinctive and sudden deficiency in revenue which is not subject to recovery, which MAPL has not done in this instance.

**IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:**

A. The Commission denies the request of Mid-America Pipeline Company, LLC for interim rates consistent with the rates set forth in MAPL's K.C.C. No. 13. The Commission concludes and orders that the rates in MAPL's current tariff, K.C.C. No. 12, shall continue in the



interim and during the pendency of these proceedings until otherwise ordered by the Commission.

B. The Commission orders service of this Order be made by electronic mail. This is a procedural order and constitutes non-final agency action. K.S.A. 77-607(b)(2). Parties have 15 days from the date of electronic service of this Order in which to petition the Commission for reconsideration. K.S.A. 66-118b; K.S.A. 2010 Supp. 77-529(a)(1).

C. The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further order or orders as it may deem necessary.

**BY THE COMMISSION IT IS SO ORDERED.**

Sievers, Chairman; Loyd, Commissioner; Wright, Commissioner

Dated: SEP 19 2011



Patrice Petersen-Klein  
Executive Director

mrd

<sup>electronic</sup>  
ORDER MAILED SEP 19 2011

**CERTIFICATE OF SERVICE**

SEP 19 2011

12-MDAP-068-RTS

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing Order Denying MAPL's Request for Interim Relief was served by electric mail this 19th day of September, 2011, to the following parties who have waived receipt of follow-up hard copies:

GLEND A CAFER, ATTORNEY  
CAFER LAW OFFICE, L.L.C.  
3321 SW 6TH STREET  
TOPEKA, KS 66606  
Fax: 785-233-3040  
gcafer@sbcglobal.net

TERRI PEMBERTON, ATTORNEY  
CAFER LAW OFFICE, L.L.C.  
3321 SW 6TH STREET  
TOPEKA, KS 66606  
Fax: 785-233-3040  
tjpemberton@sbcglobal.net

EDMUND S. GROSS, SR VP, GENERAL COUNSEL &  
SECRETARY  
COFFEYVILLE RESOURCES REFINING & MARKETING,  
LLC  
10 E CAMBRIDGE CIRCLE DR STE 250  
KANSAS CITY, KS 66103-1393  
Fax: 913-981-0000  
esgross@coffeyvillegroup.com

JUDY JEWSOME, ASSISTANT LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD ROAD  
TOPEKA, KS 66604-4027  
Fax: 785-271-3167  
j.jewsome@kcc.ks.gov  
\*\*\*Hand Delivered\*\*\*

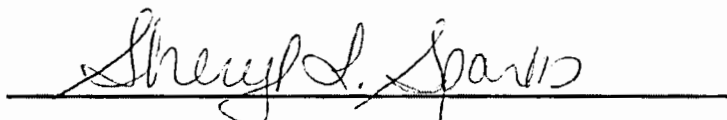
ANDREW SCHULTE, ASSISTANT LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD ROAD  
TOPEKA, KS 66604-4027  
Fax: 785-271-3354  
a.schulte@kcc.ks.gov  
\*\*\*Hand Delivered\*\*\*

PATRICIA A. TOTTEN, VICE PRESIDENT  
MID-AMERICA PIPELINE COMPANY, LLC  
1100 LOUISIANA ST STE 1000  
HOUSTON, TX 77002-7499  
Fax: 713-803-1307  
patotten@eprod.com

OTTO NEWTON, LITIGATION COUNSEL  
OTTO NEWTON  
1500 SW ARROWHEAD ROAD  
TOPEKA, KS 66604  
o.newton@kcc.ks.gov  
\*\*\*Hand Delivered\*\*\*

CARSON M. HINDERKS, ATTORNEY  
SMITHYMAN & ZAKOURA, CHTD.  
7400 W 110TH ST STE 750  
OVERLAND PARK, KS 66210-2362  
Fax: 913-661-9863  
carson@smizak-law.com

JAMES P. ZAKOURA, ATTORNEY  
SMITHYMAN & ZAKOURA, CHTD.  
7400 W 110TH ST STE 750  
OVERLAND PARK, KS 66210-2362  
Fax: 913-661-9863  
jim@smizak-law.com



electric  
ORDER MAILED SEP 19 2011

**CERTIFICATE OF SERVICE**

SEP 19 2011

12-MDAP-068-RTS

Sheryl L. Sparks  
Administrative Specialist

ORDER <sup>electric</sup>MAILED SEP 19 2011

# **EXHIBIT G**

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of the Application of )  
Mid-America Pipeline Company, LLC, )  
for the Establishment of Initial ) Docket No.  
General Commodity Transportation ) 12-MDAP-068-RTS  
Rates on its Conway to Coffeyville )  
and Coffeyville to El Dorado Segments )  
)

## TRANSCRIPT

OF

## PROCEEDINGS

Held on the 29th day of September, 2011, commencing at  
the hour of 3:00 p.m. at the Kansas Corporation  
Commission, 1500 Arrowhead, Topeka, Shawnee County,  
Kansas, before Chairman Mark Sievers, Commissioner  
Ward Loyd and Commissioner Thomas E. Wright.

CHAIRMAN SIEVERS: Good afternoon. And  
thank you all for showing up with such short notice,  
but I thought this would be the easiest way to hash  
through these things given the time frames that we  
have. I'll convene the oral arguments in the matter  
of the Application of Mid-America Pipeline Company,  
LLC, to establish initial general commodity  
transportation rates on its Conway to Coffeyville and  
Coffeyville to El Dorado Segments, which is Docket  
12-MDAP-068-RTS. And we have scheduled this time for  
oral arguments by the parties on the Petition for  
Reconsideration filed by Mid-America Pipeline  
specifically to address the issues in the interim  
order issued by the Commission, in particular interim  
rates during the pendency of the documents. If we  
could start by having appearances, counsel for Staff?  
Start with Judy.

MS. JEWSOME: Good afternoon, Judy  
Jewsome for Staff and the State generally. I expect  
Andrew Schulte to appear just as soon as they conclude  
their business in a prior matter.

CHAIRMAN SIEVERS: Okay. And MAPL?

MS. CAFER: Glenda Cafer on behalf of  
Mid-America Pipeline Company, and I expect Terri

## APPEARANCES

On Behalf of the Commission and the Public Generally:

MR. ANDREW SCHULTE  
MS. JUDY JEWSOME  
Litigation Counsel  
Kansas Corporation Commission  
1500 Arrowhead  
Topeka, Kansas 666041

On Behalf Mid-America Pipeline:

MS. GLENDA CAFER  
MS. TERRI PEMBERTON  
Cafer Law Offices  
Attorneys at Law  
3321 S.W. Sixth Street  
Topeka, Kansas 66606

On Behalf of Coffeyville Resources Refining and  
Marketing, LLC,

MR. JAMES P. ZAKOURA  
Smithyman & Zakoura, Chtd.  
Attorneys at Law  
7400 West 110th Street  
Suite 750  
Overland Park, Kansas 66210

Also Present:

Mr. Jim Collingsworth  
Ms. Patricia Totten  
Mid-America Pipeline  
Mr. Edmund Gross  
Coffeyville Resources

Pemberton to join me as soon as she finishes things  
upstairs. I also have the general counsel for the  
Company, Patricia Totten, here today, and the  
president, Jim Collingsworth.

CHAIRMAN SIEVERS: Okay. And I  
understand one of the requests that we had made was  
that we have a business person here who is able to --

MS. CAFER: That is Mr. Collingsworth.

CHAIRMAN SIEVERS: Thank you.  
Coffeyville?

MR. ZAKOURA: Good afternoon. James P.  
Zakoura on behalf of Coffeyville Resources Refining  
and Marketing Company. Also with me today is my  
colleague, Carson Hinderks of the same firm of  
Smithyman & Zakoura. Pursuant to the Commission's  
order issued yesterday and delivered by electronic  
email, also with me is Mr. Edmund Gross, who is the  
vice president and general counsel of Coffeyville  
Resources, and Mr. Gross is a member of the Kansas  
Bar.

CHAIRMAN SIEVERS: Great. Are there any  
other parties in this case? I hope not. Okay. I  
thought before -- and we scheduled a fairly limited  
amount of time for this, but I thought in the  
interests of efficiency I would exercise the

1 MR. ZAKOURA: Yes, I think, I think  
2 you -- it's our position that there is a contract  
3 filed between Coffeyville Resources and Mid-America  
4 Pipeline that is a contract in lieu of a tariff under  
5 66-117, that that is the tariff that governs this  
6 until a rate is, a new rate is set. It is the  
7 Company's position that that is incorrect and that  
8 they may include a term of termination in that that  
9 would take effect or have to be worked through with  
10 117. I think that's the crux of the two positions.

11 COMMISSIONER LOYD: All right. Back to  
12 the other point I need clarification on, I hope this  
13 one is not quite as difficult, could be wishful  
14 thinking. We've talked about the inbound line and the  
15 outbound line. And the inbound line generally has  
16 been described as the line that runs from Conway to  
17 Coffeyville.

18 MR. COLLINGSWORTH: (Nodding head up and  
19 down.)

20 COMMISSIONER LOYD: Conway to El Dorado  
21 and then from El Dorado to Coffeyville. The outbound  
22 line has generally been discussed in terms of being a  
23 line that, that Coffeyville uses to transport the  
24 refined product from Coffeyville to Conway --  
25 actually, as I understand it, the line runs from

1 not a connection to MAPL, but the Magellan has both  
2 Kansas and, and Interstate destinations as well.

3 COMMISSIONER LOYD: Well, prior orders  
4 of this Commission just in terms of dealing with  
5 issues that have involved MAPL and Conway talk about  
6 the significance or importance of, of refined  
7 hydrocarbon products to our economy. And I know that  
8 there is a significant portion of the production from  
9 Coffeyville that is transported to Kansas City.  
10 There's a lot that goes to central and North Central  
11 Kansas, particularly propane and butane. As I recall  
12 this time of year, we're kind of in the middle of  
13 harvest. So there -- is it appropriate that the  
14 Commission be concerned with public necessity for  
15 products refined at Coffeyville?

16 MR. COLLINGSWORTH: Commissioner, the  
17 only products that Mid-America Pipeline Company as  
18 operator, commercially and on a physical operation on  
19 the inbound are NGO products that they use to enhance  
20 the motor gasoline pool of products they make,  
21 unleaded, regular, premium, mid grade. Our pipeline  
22 receives from the refinery no propane. All it  
23 receives is refined products that they choose to move.  
24 And as discussed, they have other alternatives of  
25 moving that other than the Mid-America Pipeline.

1 Coffeyville to El Dorado?

2 MR. COLLINGSWORTH: That's correct.

3 COMMISSIONER LOYD: And from El Dorado  
4 then back to Conway, it appears to me that --

5 MR. COLLINGSWORTH: Commissioner, at El  
6 Dorado, Kansas, it joins what is now referred to as  
7 NuStar Pipeline.

8 COMMISSIONER LOYD: Okay.

9 MR. COLLINGSWORTH: Which is an  
10 interstate pipeline that goes -- that starts in that  
11 area and then goes all the way up into Nebraska, South  
12 Dakota and I think also into North Dakota.

13 MR. ZAKOURA: If I might add to that,  
14 the pipeline -- first of all, the pipeline is operated  
15 -- there is an operating agreement attached to the  
16 lease that is filed, we give nominations. But  
17 physical operation of the plant has always been by  
18 MAPL, the pipeline from Coffeyville to El Dorado. It  
19 goes outbound, it goes diesel, motor gasoline to El  
20 Dorado. And there is a connection with, as Mr.  
21 Collingsworth said, the NuStar Pipeline which has both  
22 intrastate and interstate destinations. Intrastate,  
23 there is a, there is a Hutch terminal -- Hutchinson  
24 terminal, Concordia, Salina and Wichita on NuStar.  
25 There is also a pump over to Magellan there. That is

1 MR. ZAKOURA: I would say that that's a  
2 bit too narrow of a response to the Commissioner's  
3 questions. If you look at Kansas as a whole, we have  
4 three refineries. We have El Dorado, which is the  
5 HollyFrontier plant. We have one in McPherson, which  
6 is the National Cooperative Refinery Association. And  
7 you have one in Coffeyville, which is Coffeyville  
8 Resources. Those refineries are critically important  
9 to agriculture as well as non agricultural uses  
10 throughout the Midwest and Kansas as well. Mr.  
11 Collingsworth is, is correct. What comes in on the  
12 inbound line is natural gas liquids, which are  
13 typically referred to as a blending stock, which are  
14 integral in the manufacturing of gasoline because it  
15 increases octanes, among other things. It's typically  
16 a highly prized component. It is also correct what  
17 goes out is, is gasoline and diesel.

18 And this pipeline is critical to  
19 Coffeyville Resources. If it wasn't critical to  
20 Coffeyville Resources, we wouldn't be using  
21 3.5 million barrels in the test year. So it is a  
22 critical part of both the transportation portfolio of  
23 Coffeyville Resources as well as the availability of  
24 petroleum products throughout the Midwest.

25 COMMISSIONER LOYD: My sense from some

1 of these prior orders that I've referenced is that  
2 there were -- the refined products, propane and  
3 butane, at least at the point in time when these  
4 orders were written -- were delivered to the pipeline,  
5 are those products no longer being delivered through  
6 these pipelines?

7 MR. COLLINGSWORTH: That's correct.

8 MR. ZAKOURA: The propane -- I'm sorry,  
9 Mr. Collingsworth. Did you want to speak to that?

10 MR. COLLINGSWORTH: Yes. The only  
11 products that move through the outbound line today, as  
12 Mr. Zakoura mentioned, was the diesel and motor  
13 gasoline. Propane no longer moves. Butane never  
14 moves. The throughput on that line, outbound line,  
15 accounts for less than 5 percent of the total product  
16 made by the Coffeyville refinery.

17 MR. ZAKOURA: Might I offer a comment?  
18 I think speaking to the propane issue, I think the  
19 Commission is acquainted, and I think Commissioner  
20 Loyd is, Conway, which is owned by Hutchinson, is a  
21 central area of natural gas liquids. And many  
22 companies, including Coffeyville Resources, have  
23 product there. The, the path of the propane is a  
24 little bit different. The path of propane is it goes  
25 on the Mid-America Pipeline at Conway, and it goes as

1 far as El Dorado. And then in El Dorado it, it goes  
2 into the Magellan Pipeline. So there is propane going  
3 on this line throughout the Midwest. But it is the  
4 segment of the line, Commissioner Loyd, which is from  
5 Conway, which is over by Hutchinson, to El Dorado  
6 where there is an interconnection with the Magellan  
7 propane line.

8 COMMISSIONER LOYD: Okay. Yeah I'm --  
9 when I was asking my questions, I was relying a little  
10 bit on prior determinations by the Commission. And in  
11 this case it was the 02-MAPD-160-COM docket. And the  
12 Commission, it appears to me that they made -- the  
13 Commission made a determination that Conway is a  
14 nationally known center for storage of natural gas  
15 liquids known as blend stocks, and El Dorado is a  
16 junction for transporting blend stocks from storage in  
17 Conway to other destinations including connections to  
18 interstate pipelines that take liquid hydrocarbons to  
19 other markets. And -- well -- (pause)

20 MR. ZAKOURA: That's precisely what I  
21 just described.

22 COMMISSIONER LOYD: I mean does that  
23 remain generally true today?

24 MR. ZAKOURA: Yes.

25 COMMISSIONER LOYD: I know that there's

1 going to be more evidence presented by the parties,  
2 and we'll clarify this exactly to the extent which  
3 product is used.

4 MR. ZAKOURA: Yes.

5 COMMISSIONER LOYD: Let, let me ask this  
6 of MAPL, and I don't want to be too pedantic in this,  
7 but it's my assumption that MAPL intends to continue  
8 to operate in Kansas?

9 MS. CAFER: Correct.

10 COMMISSIONER LOYD: And it has and will  
11 continue to operate under the authority -- under the  
12 authority of its Certificate of Convenience and  
13 Necessity?

14 MS. CAFER: Correct.

15 COMMISSIONER LOYD: Will it continue to  
16 operate the inbound Conway/El Dorado/Coffeyville  
17 lines?

18 MS. CAFER: Ever?

19 COMMISSIONER LOYD: Well, I -- until the  
20 foreseeable future? I mean my term is up in March,  
21 so...

22 MS. CAFER: It's not their intent to  
23 quit operating. They don't have a legal rate to  
24 charge; that is what this is all about.

25 COMMISSIONER LOYD: I understand that.

1 MS. CAFER: And they still are going to  
2 FERC to get their interstate rate in place. So when  
3 we talked about jurisdiction here and rates, I, I  
4 think we have all been assuming it's intrastate is  
5 what we are dealing with.

6 COMMISSIONER LOYD: Right, that's all  
7 I'm talking about.

8 MS. CAFER: So they intend to keep  
9 operating, but they won't have a legal rate to charge.  
10 So I mean that's the dilemma.

11 COMMISSIONER LOYD: Well, let me ask you  
12 a different way. Is there any intent on the part of  
13 MAPL to file an application to abandon the pipeline?

14 MR. COLLINGSWORTH: Mid-America Pipeline  
15 is in business to provide customers their needs and to  
16 earn money by transportation by charging a fee to  
17 transport that product. That is our sole reason for  
18 existing. To the extent you can operate those lines  
19 and provide that service at a profit, Mid-America is  
20 there to do that from now and forever more. But we  
21 can't continue operating at a loss like we have at  
22 least 3 of the last 5 years in the contract that we  
23 have had that is expiring.

24 And not one time during that 5-year term  
25 have I come to the Commission or any other court

1 seeking relief. I made a deal. I lived with the  
2 deal. The deal is up.

3 We are now trying to get rates so we are  
4 not losing money. And in seeking those rates or  
5 arriving at what those rates should be, we used what  
6 we were recommended by the Staff here, the FERC model,  
7 which is 154 and that's how we arrived at our rates.

8 COMMISSIONER LOYD: All right. So can I  
9 take it from that that it is not MAPL's intent to  
10 abandon the line?

11 MR. COLLINGSWORTH: It is not our intent  
12 today. We want to continue providing that service,  
13 but we want to earn a profit on it.

14 COMMISSIONER LOYD: I understand that.  
15 We are not arguing about it. But isn't the whole  
16 purpose of this proceeding so that you can get rates  
17 in place that will allow you to continue to operate  
18 the pipeline?

19 MR. COLLINGSWORTH: Yes, sir.

20 COMMISSIONER LOYD: Okay. Now, as of  
21 Saturday, you will have full control of the outbound  
22 pipeline return to MAPL free of the, the exclusive use  
23 contract with Coffeyville?

24 MS. CAFER: Correct.

25 MR. COLLINGSWORTH: Yes.

1 COMMISSIONER LOYD: Is it MAPL's intent  
2 to continue to operate the outbound pipeline?

3 MS. CAFER: I'm back where I was.  
4 Therein lies the dilemma. That is why we have been in  
5 talking with Staff. How do you do that when you don't  
6 have legal rates?

7 COMMISSIONER LOYD: Okay.

8 MS. CAFER: So that's why we're here  
9 asking for --

10 COMMISSIONER LOYD: Is it Coffeyville's  
11 intent to abandon the line?

12 MS. CAFER: Coffeyville?

13 COMMISSIONER LOYD: I mean MAPL's  
14 intention to abandon the line?

15 MS. CAFER: That is not their intent.

16 COMMISSIONER LOYD: So the purpose of  
17 the proceeding is to get in your opinion tariffs  
18 approved that allow you to continue to operate the  
19 outbound pipeline?

20 MS. CAFER: Correct.

21 MR. COLLINGSWORTH: Yes.

22 COMMISSIONER LOYD: So you are  
23 suggesting that even if a third party were to come to  
24 you over either one of those lines, that you could not  
25 offer service to them because you don't have a tariff

1 in place that allows you to do that?

2 MS. CAFER: On an Intrastate basis.

3 COMMISSIONER LOYD: On an Intrastate  
4 basis. Even on the inbound line?

5 MS. CAFER: We don't have a rate there  
6 either.

7 MR. COLLINGSWORTH (Nods head up and  
8 down).

9 COMMISSIONER LOYD: So the question I  
10 was going to ask was will MAPL accept nomination for  
11 shipment from Coffeyville?

12 MR. COLLINGSWORTH: It is my  
13 understanding that before we can accept nominations to  
14 provide that service, we must have a, an Intrastate  
15 rate approved by the KCC before we can provide a  
16 service.

17 COMMISSIONER LOYD: So you're saying  
18 yeah, I would really like to, but I have to have a  
19 tariff I can charge?

20 MR. COLLINGSWORTH: Yes, sir.

21 COMMISSIONER LOYD: Absent the tariff I  
22 can't do it?

23 MR. COLLINGSWORTH: That's what I've  
24 been told.

25 COMMISSIONER LOYD: Coffeyville, and I

1 think you've intimated the answer, but I just want to  
2 ask it directly. Will Coffeyville continue to need  
3 refined petroleum products delivered from Conway, El  
4 Dorado, Coffeyville, for purposes of refining?

5 MR. ZAKOURA: Absolutely, yes.

6 COMMISSIONER LOYD: Will Coffeyville  
7 rely on the MAPL lines that we are talking about, the  
8 inbound line for purposes of receiving the shipment of  
9 those products?

10 MR. ZAKOURA: Yes.

11 COMMISSIONER LOYD: Does Coffeyville  
12 have alternate pipelines or options available for use?

13 MR. ZAKOURA: May I speak to that point  
14 a little more?

15 COMMISSIONER LOYD: I'm asking you, Jim.

16 MR. ZAKOURA: We don't have any inbound  
17 options whatsoever from Conway to Coffeyville other  
18 than the pipeline, MAPL on the outbound -- I didn't  
19 mean to be -- what's the right word, I didn't mean to  
20 be evasive. There is no other pipeline opportunity.  
21 There is truck opportunity, which we believe to be  
22 really not a reasonable option.

23 COMMISSIONER LOYD: Okay.

24 MR. ZAKOURA: On the outbound line, we  
25 will use MAPL, continue to use MAPL. Magellan has



1 written. We made an adjustment to take out the, the  
2 rate case expense. Since that time we have considered  
3 that, yeah, there might be other, another option to  
4 extend the contract as interim rates.

5 Under either of those options -- and I  
6 believe your question, getting back to your question,  
7 was if we set interim rates subject to true-up or  
8 refund, will there be a fight down the road over that  
9 refund or true-up? And I think that if the Commission  
10 is clear and orders a refund for the difference of the  
11 final determination in the rate case or a true-up, if  
12 we order continuing rates based on the contracts and  
13 cap those at -- I mean, well, the, the true-up, the  
14 true-up mechanism would be set before the rates go  
15 into effect. And it could even be capped at what is  
16 in MAPL's Application now. So Coffeyville knows up  
17 front if they are shipping during the pendency of this  
18 rate case, they will be paying the lower rates now,  
19 but they will be subject to paying the final decision  
20 on the rate case and that final decision on the rate  
21 case couldn't be any higher than what was applied for  
22 in the Application.

23 MR. COLLINGSWORTH: Mr. Chairman, may I  
24 make two comments, please?

25 CHAIRMAN SIEVERS: Sure. Sure.

1 MR. COLLINGSWORTH: First, I would like  
2 to address the mechanical integrity expense, talking  
3 about spending money in one year and a million five in  
4 the next year. By the mandate of the Pipeline Safety  
5 Act, which is overseen by DOT, we are required  
6 normally to do mechanical integrity work on each one  
7 of our pipelines every 5 years until we find something  
8 that tells us we must do it more often and do a more  
9 thorough investigation, exactly what happened on both  
10 the Coffeyville lines.

11 We found after the initial contract was  
12 made, when we were doing that mechanical integrity  
13 work, stress corrosion cracking. And as a result of  
14 that, the government has mandated through corrective  
15 action orders and/or through standard practice, they  
16 said, additional money that we have to spend. Now we  
17 have to do it every 3 years or every -- every 28  
18 months or something like that. So you will see years  
19 when we don't spend anything on those lines, and it's  
20 because we are following prescribed law.

21 Now, on the rates, we're making -- our  
22 gross, our gross revenue is 2 to 1 cent a gallon. The  
23 margin made on blending those products into motor  
24 gasoline is \$2 a gallon. So that's why we have  
25 trouble accepting the less rate because we have been

1 losing money while they have been making \$2 a gallon.

2 CHAIRMAN SIEVERS: I, I understand the  
3 economics of it. The, the issue here, though, is, is  
4 what rates to place in the interim until we get  
5 through the pendency of the rate case. And during the  
6 rate case, parties will present evidence on both sides  
7 of the issue as to what the costs are and what's the  
8 economically rational thing to do. The question  
9 before the Commission now is what rates should be put  
10 in place during the next 6 months prior to the, the  
11 rate case being in place.

12 And I suppose I have two last questions  
13 for each of the parties here. If the Commission were  
14 to order that the terms and conditions or the rates of  
15 the contracts remain in place during the pendency of  
16 the rate case, what would MAPL do?

17 MR. COLLINGSWORTH: Are you saying all  
18 terms and conditions?

19 CHAIRMAN SIEVERS: I'm just saying the  
20 price. So we have got a tariff that can cover what it  
21 costs to transport the product, the lease payment and  
22 that sort of thing. I'm not -- and I understand the  
23 difference between the price and the contracts, I'm  
24 not -- I'm just trying to find a way to have something  
25 in place that will allow you to sell product and

1 Coffeyville to transport product between now and the  
2 termination of the rate case, what would you do?

3 MS. CAFER: Can I ask, as interim rates,  
4 would it be subject to true-up at the end if it ended  
5 up being lower than what you ultimately order?

6 CHAIRMAN SIEVERS: Well, tell me what  
7 you would do if we had true-up and if you don't.

8 MS. CAFER: If you had true-up, then  
9 there is no irreparable damage, even if it's set very,  
10 very low, which is what using the existing rate would  
11 do. Because ultimately you're going to allow recovery  
12 of the full amount that -- through that 6-month  
13 period.

14 CHAIRMAN SIEVERS: If there was no  
15 true-up, then your position would be would be there,  
16 would be irreparable damage and what would you do?

17 MS. CAFER: They would have to talk with  
18 their counsel to make that decision. I don't think  
19 they could --

20 CHAIRMAN SIEVERS: That's why we asked  
21 the business guys be here.

22 MR. COLLINGSWORTH: Mr. Chairman, I  
23 would suggest if you come up with an interim rate and  
24 you use what's in there today to create confusion -- I  
25 hope Coffeyville Resources would agree with me -- that

1 you would extend all terms of the contract so  
2 everything works as it has. It's just less business  
3 confusion.

4 CHAIRMAN SIEVERS: So if we extended all  
5 terms of the contract between now and the pendency of  
6 the rate case, that would be fine, you would be happy  
7 with it?

8 MR. COLLINGSWORTH: With the true-up,  
9 yes.

10 CHAIRMAN SIEVERS: Okay. Coffeyville,  
11 or I mean Coffeyville, if the Commission ordered the  
12 interim rates be adopted as MAPL suggests, what would  
13 you do?

14 MR. ZAKOURA: Certainly our position  
15 would be that if you continue all terms of the  
16 contracts and that it would be true up from -- I  
17 don't know what date you're talking about.

18 CHAIRMAN SIEVERS: Today.

19 MR. ZAKOURA: From today? That is  
20 something that we would live with, sir.

21 CHAIRMAN SIEVERS: But I'm asking you a  
22 different question.

23 MR. ZAKOURA: Okay.

24 CHAIRMAN SIEVERS: If the Commission  
25 ordered that the interim rates as proposed by MAPL

1 to arrive at some kind of a reasonable solution to  
2 this because it strikes me, as the Chairman said  
3 earlier coming in, that the -- this is beginning to  
4 resemble a divorce more than an ordinary civil  
5 proceeding. I mean this battle has gone on a --  
6 obviously on a personal level for a long time with  
7 regard to the parties and their -- you don't get this  
8 far apart in the business sense unless something is  
9 going on that is of a highly personal nature.

10 So let me just encourage you to work  
11 this matter out if you can. But if you can't, we will  
12 decide it on whatever information it is that we have  
13 available to us.

14 CHAIRMAN SIEVERS: Commissioner Loyd?

15 COMMISSIONER LOYD: I would ask the  
16 question I think from my standpoint I have to be  
17 concerned with in my -- and mindful of the impact on  
18 the Kansas City area, if nothing else, on gasoline  
19 prices if suddenly a supply of gasoline that is  
20 normally delivered is not available. I've got to be  
21 mindful on the agriculture economy in Central and  
22 North Central Kansas, actually all of Central and  
23 Western Kansas. So I think the public has every bit  
24 as much at risk and at stake as the parties have in  
25 this.

1 were adopted subject to refund with interest, what  
2 would Coffeyville do?

3 MR. ZAKOURA: I don't think we have any  
4 choice but to pay the rates. We don't have an option.  
5 We would not be happy about it. At all.

6 CHAIRMAN SIEVERS: That is the mark of a  
7 good decision where everyone leaves the room unhappy.

8 MR. ZAKOURA: But we don't have an  
9 option.

10 CHAIRMAN SIEVERS: Okay. Commissioners,  
11 any follow-up questions?

12 COMMISSIONER WRIGHT: No, but I will  
13 make a comment. If you all don't work this out, we  
14 will decide it. But we are not in the same position  
15 that you are in terms of the extent of knowledge that  
16 we have. I'm speaking only for myself because I'm  
17 only one vote out of three. But it seems to me like  
18 you could compromise this thing. And I know it's safe  
19 to say that I will at least be very mindful of the  
20 fact that I don't want this temporary or interim  
21 relief, whatever it is that's granted, to give either  
22 side a leg up in the argument about how this case  
23 should ultimately turn out. I would be extremely  
24 interested in making sure that each of you, both sides  
25 in this matter, are under the same amount of pressure

1 And I echo Commissioner Wright's  
2 sentiments about preference that the parties find some  
3 way to compromise the agreement so we are not the ones  
4 making the decision. I wish you well.

5 CHAIRMAN SIEVERS: And I, I guess I  
6 would chime in and agree with that, with the  
7 sentiments. I mean every lawyer has a speech that  
8 they give to their client on the eve of litigation,  
9 and that -- mine would typically go like, like this:  
10 We're going into a proceeding where perfect strangers  
11 will be deciding what your future is based on how well  
12 you perform in the next hour or so. It is much better  
13 for the parties to reach an agreement that may not be  
14 -- may not be satisfactory to either one of you than  
15 to have a decision made by a stranger based on, you  
16 know, their kind of read of your business. So I would  
17 encourage you to try to work this out.

18 But we will make a decision on this.  
19 With that, I'm not sure -- we had scheduled 5 minutes  
20 for closing arguments. But I'm not sure, I'm not sure  
21 we need them at this point. I think we have gone  
22 through this, and I think we understand where  
23 everybody is on this. And I appreciate you coming  
24 here the last minute for this. And we're trying to  
25 work this out. So with that, do I need to do anything

1 else, Melissa? Just close the record? Okay. With  
2 that, thank you all.  
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1 CERTIFICATE  
2

3 STATE OF KANSAS )  
4 ) ss.  
5 COUNTY OF SHAWNEE )  
6

7 I, the undersigned, a Certified Shorthand  
8 Reporter, do hereby certify that the foregoing is a  
9 full and correct transcript of the oral evidence and  
10 proceedings had in the above entitled cause on the  
11 date indicated.  
12

13 Dated at my office in Lawrence, Kansas, this  
14 30th day of September, 2011.  
15

16 EMILY A. FOSTER  
17 Certified Shorthand Reporter  
18  
19  
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22  
23  
24  
25

26 HEDBERG & FOSTER REPORTING, INC.  
27 Certified Shorthand Reporters  
28 P. O. Box 67353  
29 Topeka, Kansas 66667  
30

## **EXHIBIT H**

# Mid – America Pipeline Company, LLC

## OIL PIPELINE TARIFF FILING

September 21, 2011

### CONTAINS REQUEST FOR CONFIDENTIAL TREATMENT

Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street N.E. Room 1A-209  
Washington, DC 20426

Dear Ms. Bose:

Mid-America Pipeline Company, LLC ("MAPL") files the following tariff, on nine (9) days' notice, to be effective October 1, 2011, in compliance with the Interstate Commerce Act and the rules and regulations of the Federal Energy Regulatory Commission ("F.E.R.C.").

F.E.R.C. No. 82.0.0 - Local Proportional Pipeline Tariff Containing Rates, Rules and Regulations Applying on the Interstate Transportation of Refined Petroleum Products

F.E.R.C. No. 82.0.0 is being filed pursuant to 18 CFR § 342.2(a) (Establishing Initial Rate) to initiate a new rate for transportation service from Coffeyville, Kansas to El Dorado, Kansas, where MAPL connects to a pipeline that transports product to destinations outside the State of Kansas. Accordingly, MAPL is enclosing cost, revenue and throughput data supporting the new rate as required by Part 346 of the Commission's regulations. Because MAPL is establishing a rate for new service, the test period is based on a 12-month projection of costs and revenues in accordance with 18 CFR § 346.2.

Pursuant to 18 C.F.R. § 388.112, MAPL hereby requests confidential treatment of the cost-of-service schedules included with this tariff filing. The cost-of-service schedules contain confidential shipper information that is protected pursuant to Section 15(13) of the Interstate Commerce Act, 49 U.S.C. § 15(13). MAPL is therefore filing both a redacted public and confidential version of this tariff filing. MAPL has sent a copy of the confidential version of the cost-of-service schedule to the shipper whose confidential information is at issue.

This filing constitutes a request for waiver of the thirty-day (30) notice requirement in compliance with Section 6(3) of the Interstate Commerce Act and 18 CFR § 341.14 (Special Permission). The line segment in question is currently leased to another company that is responsible for maintaining tariffs for transportation. Since the lease agreement expires on September 30, 2011, MAPL must have a rate in place to allow transportation to continue on the pipeline. MAPL therefore respectfully requests permission to file F.E.R.C. No. 82.0.0 on nine (9) days' notice to be effective October 1, 2011. This filing is conditionally accepted subject to refund pending a thirty-day (30) review period.

I hereby certify that I have on or before this date sent one copy of this filing to each subscriber thereto by means of transmission agreed upon in writing by the subscriber.

Mid-America Pipeline Company, LLC requests that all protests or complaints, which in any way affect this publication, be transmitted to Steve Miao, concurrent with their filing/issuance, via facsimile at (713) 381-8290 and confirmed at (832) 275-5189.

If you need further information concerning this tariff filing, please call me at (713) 381-4778.

Respectfully,

  
Steve Miao  
Regulatory Affairs

# **MID-AMERICA PIPELINE COMPANY, LLC**

## **LOCAL PROPORTIONAL PIPELINE TARIFF**

Containing

### **RATES, RULES AND REGULATIONS**

Applying On the Interstate Transportation of

### **REFINED PETROLEUM PRODUCTS**

Transported by Pipeline

From and To Points Named Herein

Issued under authority of 18 CFR § 342.2(a).

Issued on nine (9) days' notice under authority of 18 CFR § 341.14. This tariff publication is conditionally accepted subject to refund pending a 30 day review period.

The rates in this tariff are expressed in cents per barrel of 42 U.S. Gallons and are subject to change as provided by law, and are governed by the Rules and Regulations published herein, reissues hereof.

The provisions published herein will, if effective, not result in an effect on the quality of the human environment.

<b>ISSUED SEPTEMBER 21, 2011</b>	<b>EFFECTIVE DATE: OCTOBER 1, 2011</b>
----------------------------------	--

ISSUED AND COMPILED BY:

Steve Miao

1100 Louisiana Street, Houston, Texas 77002 – 5227

(713) 381-4778

---

## GENERAL APPLICATION

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Product, only as defined herein, will be transported and/or handled through Carrier's facilities only as provided in these rules and regulations.

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## RULES AND REGULATIONS

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### ITEM 5 DEFINITIONS

"Barrel" shall mean forty-two (42) United States gallons of 231 cubic inches of sixty degrees Fahrenheit (60°F) and equilibrium vapor pressure.

"Carrier" shall mean Mid-America Pipeline Company, LLC.

"Customer Information Solution" (CIS) shall mean the integrated business operating system utilized by Carrier for the coordination of all business conducted on Carrier's pipelines and facilities.

"Day" shall mean the twenty-four (24) hours between 7:00 a.m. and 7:00 a.m. the following day.

"Interface" shall mean the mixture occurring in pipeline operations between adjoining batches having similar or dissimilar physical characteristics.

"Month" shall mean 7:00 A.M. of the first day of a calendar month to 7:00 A.M. on the first day of the following calendar month.

"Nomination" shall mean an offer by a Shipper to Carrier of a stated quantity of Product for transportation from a specified origin(s) to a specified destination(s) pursuant to the terms of this tariff.

"Product(s)" shall mean individually and collectively, Refined Petroleum Products meeting specifications issued by Carrier.

"Refined Petroleum Products" shall mean unleaded gasolines and petroleum distillates meeting specifications issued by Carrier.

"Shipper" shall mean any party who gives notice to transport Product under the provisions outlined in this tariff.

"Week" shall mean the one hundred sixty-eight (168) hours between 7:00 a.m. Monday and 7:00 a.m. the following Monday.

#### **ITEM 10 SCHEDULING OF RECEIPT**

Shippers desiring to originate Product shall furnish a nomination via CIS no later than the 15<sup>th</sup> calendar Day of the preceding month in which the Shipper desires transportation.

A nomination shall specify the origins and destinations of the Product offered to Carrier. If Shipper does not furnish such nomination, Carrier will be under no obligation to accept such Product for transportation.

Product will be accepted for transportation, subject to items contained herein, at such time and in such quantity as scheduled by Carrier.

Carrier will transport and deliver Product with reasonable diligence and dispatch considering the quantity, distance of transportation, safety of operations, and other material factors, but will accept no Product to be transported in time for any particular market. Enhanced facilities or services may be requested by a Shipper and may be provided for a Pipeage Contract in accordance with Item 85.

#### **ITEM 15 PRODUCT DELIVERABILITY REQUIREMENTS**

Carrier reserves the right to refuse to accept any Product for transportation which does not meet Carrier's then current product specifications dated October 1, 2011, which are available upon request, or which is not good merchantable Product readily acceptable for transportation through Carrier's existing facilities.

Shipper may be required to furnish Carrier with a certificate setting forth the specifications of each shipment of Product to be transported in Carrier's facilities. Carrier reserves the right to sample and/or test any such shipment prior to acceptance or during receipt, and in the event of variance between Shipper's certificate and Carrier's test, the latter shall prevail.

If, upon investigation, Carrier determines that Shipper has delivered to Carrier's facilities Product that has contaminated the common fungible stream, rendering all or a portion of the fungible Product stream undeliverable, Carrier reserves the right to treat or otherwise dispose of all contaminated Product in any reasonable commercial manner at Shipper's sole expense.

On Product received by Carrier that does not meet product deliverability requirements, Carrier will charge a penalty in the amount of one hundred (100) cents per Barrel for treating and handling such Product.

#### **ITEM 20 MINIMUM SHIPMENT**

A shipment of 5,000 Barrels or more of the same quality and specifications shall be required on all Products. Carrier may elect to accept a shipment of less than 5,000 Barrels of Product of the same required specifications for transportation subject to delay until Carrier has accumulated 5,000 Barrels of the same specifications from the same or other Shippers.

Product shall be offered for transportation in quantities, which can be received into Carrier's pipeline. Carrier will specify the quantity to be delivered to Carrier from a single origin. Shipper will be subject to linefill requirements of up to 10 days receipts.

#### **ITEM 25 APPLICATION OF RATES**

Carrier shall assess transportation and all other lawful charges accruing on Product accepted for transportation at the rate in effect at date Product is delivered to destination. Carrier will invoice Shipper for transportation charges and all other lawful charges accruing on Product accepted in accordance with Carrier's then current payment policies and procedures at the rates published herein.

All volumes nominated for transportation between the origin and destination set forth herein will be charged the rate for interstate service set forth in this tariff unless Shipper provides at the time of nomination a sworn affidavit certifying that the volume nominated is intended to be delivered to an intrastate destination for use within the State of Kansas. Such certification must include (1) the ultimate intrastate destination(s), (2) the total volume to be transported to each intrastate destination, and (3) the name of the ultimate consignee(s). If requested by Carrier, Shipper must also provide copies of invoices from any connecting carrier showing the intrastate destination on the connecting carrier for each movement.

#### **ITEM 30 ORIGIN AND DESTINATION FACILITIES**

Carrier shall accept product only when Shipper has provided necessary facilities for receipt of Product into Carrier's pipeline and delivery of Product from Carrier's pipeline at pressures and pumping rates required by Carrier.



#### **ITEM 40 MEASUREMENT**

Except as otherwise provided, Carrier shall make no charge for metering Product upon receipt and delivery.

Observed volumes of Refined Petroleum Products at operating pressures and temperatures shall be corrected to net volume at 60°F and atmospheric pressure using Tables 5B and 6B, Chapter 11.1, API Standard 2540 and compressibility factors from API Standard 1101. These standards are subject to any future revisions or changes issued by the API.

#### **ITEM 45 IDENTITY OF SHIPMENTS**

Carrier may commingle Product received from the origins shown herein. Carrier reserves the right at any time to substitute and deliver Product of the same specifications as the Product tendered.

#### **ITEM 55 DEMURRAGE**

Shipper shall remove Product, or cause Product to be removed, from Carrier's facilities following transportation to a nominated destination. In the event failure to remove Product threatens or prevents delivery of succeeding shipments into or out of Carrier's facilities, and/or threatens or causes congestion at Carrier's terminals, Carrier shall have the right, but not the obligation, without liability to Shipper, to make such disposition of unremoved Product as is necessary for the efficient operation of the pipeline, and Shipper shall pay Carrier all charges associated with such disposition the same as if Shipper had authorized such, together with any associated additional costs and damages borne or incurred by Carrier.

In the event failure to remove product from Carrier's facilities prevents delivery of succeeding shipments for more than 12 hours in any 24-hour period, Shipper will pay demurrage penalty of fifty-six (56) cents per barrel of system linefill for each day delivery of succeeding shipments is prevented.

#### **ITEM 60 PAYMENT OF CARRIER CHARGES**

The Shipper or consignee shall pay all transportation and other lawful charges accruing on Product delivered to and accepted by Carrier for shipment and, if required, shall pay the same before delivery at destination. Carrier shall have a lien on all Product in its possession belonging to Shipper or consignee to secure the payment of any and all unpaid transportation, or any lawful charges that are due Carrier, that are unpaid by Shipper or consignee, and may withhold such Product from delivery until all unpaid charges have been paid. If said charges remain unpaid ten (10) days after final notice and demand therefore, Carrier shall have the right, through an Agent, to sell such Product at public auction, on any day not a legal holiday, in not less than forty-eight (48) hours after publication of notice of such sale in a daily newspaper of general circulation published in the town or city where the sale is to be held, stating the time, place of sale, and the quantity and location of Product to be sold. At said sale, Carrier shall have the right to bid, and if the highest bidder, to become the purchaser. From the proceeds of said sale, Carrier will pay itself the transportation and all other lawful charges, including expenses incident to said sale, and the balance remaining, if any, shall be held for whomsoever may be lawfully entitled thereto.

#### **ITEM 65 ACCEPTANCE FREE FROM LIENS AND CHARGES**

Carrier will refuse any shipment for transportation, which may be encumbered by a lien or charge of any kind, or which may be involved in litigation or the ownership thereof may be in dispute. When any Product so encumbered or subject to litigation or dispute is tendered for transportation, Carrier will require of Shipper satisfactory evidence of his perfect and unencumbered title or satisfactory indemnity bond to protect Carrier against any or all loss.

#### **ITEM 70 LIABILITY OF CARRIER**

Carrier shall not be liable for any delay in delivery or for any loss of Product caused by an act of God, public enemy, quarantine, authority of law, strikes, riots, fire, floods, or by act of default of consignor or consignee, or resulting from any other cause not due to the negligence of Carrier, whether similar or dissimilar to the causes herein enumerated. Any such loss shall be apportioned by Carrier to each shipment of Product or portion thereof involved in such loss in the proportion that such shipment or portion thereof bears to the total of all Product involved in the loss, and each consignee shall be entitled to receive only that portion of its shipment remaining after deducting his proportion as above determined of such loss. Carrier shall prepare and submit a statement to Shippers and consignees showing the apportionment of any such loss.

The Carrier operates under this tariff solely as a common carrier and not as an owner, manufacturer, or seller of the Product transported or stored hereunder, and Carrier expressly disclaims any liability for any expressed or implied warranty for Products transported or stored hereunder including any warranties of merchantability or fitness for intended use.

#### **ITEM 75 CLAIMS - TIME FOR FILING**

Notice of claims for loss or damage must be made in writing to Carrier within nine (9) months after delivery of the Product, or in the case of a failure to make delivery, then within (9) months after a reasonable time for delivery has elapsed. Suit against Carrier shall be instituted only within two (2) years and one (1) day from the day when notice in writing is given by Carrier to the claimant that Carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, such claims will not be paid and the Carrier shall not be liable.

#### **ITEM 80 SCHEDULING OF DELIVERY**

When Shippers request delivery from the pipeline to the requested destination of a volume of Product greater than can be immediately delivered, Carrier shall schedule delivery. Carrier shall not be liable for any delay in delivery resulting from such scheduling of delivery.

#### **ITEM 85 PIPEAGE CONTRACTS**

Separate agreements in accord with this tariff, and these regulations covering further details, may be required by Carrier before any duty for transportation shall arise.

#### **ITEM 90 APPLICATION OF RATES FROM INTERMEDIATE POINTS**

For Product accepted for transportation from any point on Carrier's pipeline not named in this tariff, which is an intermediate point from which rates are published herein, through such unnamed point, Carrier will apply from such unnamed point the rate published herein from the next more distant point specified in the tariff. If service is to be used on a continuous basis for more than 30 days, Carrier will file a tariff applicable to the transportation movement.

#### **ITEM 95 APPLICATION OF RATES TO INTERMEDIATE POINTS**

For Product accepted for transportation to any point on Carrier's pipeline named in this tariff, which is intermediate to a point to which rates are published herein, through such unnamed point, Carrier will apply to such unnamed point the rate published herein to the next more distant point specified in this tariff. If service is to be used on a continuous basis for more than 30 days, Carrier will file a tariff applicable to the transportation movement.

#### **ITEM 100 ALLOCATION**

In the event Shipper's total requirements are greater than can be currently handled by Carrier, Carrier shall prorate available capacity so as to avoid discrimination.

#### **ITEM 110 ROUTING INSTRUCTIONS**

All rates apply via Mid-America Pipeline Company, LLC.

#### **ITEM 120 TRANSPORTATION INVENTORY**

Quantities of Product received into Carrier's custody for transportation to Shipper's nominated destination will constitute Shipper's Transportation Inventory prior to delivery. If Product cannot be accepted by the nominated destination through no fault of Carrier, undelivered quantities will be returned to Shipper's Holding (storage) inventory.

#### **ITEM 145 INTERFACE**

Shippers shall accept and be responsible for handling of any interface generated within or between Products.

**RATES**  
(In Cents per Barrel)

**ITEM 290 LOCAL PROPORTIONAL RATE FOR REFINED PETROLEUM PRODUCTS FOR FURTHER  
MOVEMENT BEYOND DESTINATION**

ORIGIN	DESTINATION	RATE
Coffeyville, Kansas	El Dorado, Kansas	341.32

**ABBREVIATIONS AND REFERENCE MARKS**

API	American Petroleum Institute
F	Fahrenheit
F.E.R.C.	Federal Energy Regulatory Commission
GPA	Gas Processors Association
MAPL	Mid-America Pipeline Company, LLC

# **EXHIBIT I**

**Mid-America Pipeline Company, LLC**  
**Coffeyville Outbound Line**  
**Cost of Service and Tariff Rates**

**Index of Statements and WorkPapers**

<u>Schedule</u>	<u>Descriptions</u>
Summary	Cost of Service Summary
Statement A1	Total Cost of Service
Statement A2	Tariff Rates
Statement B	Operations and Maintenance Expense
Statement C	Overall Return on Rate Base
Statement D	Income Taxes
Statement E1	Rate Base
Statement E2	Deferred Return
Statement F1	Allowance for Funds Used During Construction
Statement F2	Amortization of Allowance for Funds Used During Construction
Statement G	Revenues
WorkPaper 1	Input Data
WorkPaper 2	Depreciation Rate
WorkPaper 3	Deferred Return - Amortization
WorkPaper 4	Starting Rate Base
WorkPaper 5	Test Period Adjustments to Operating Expense

Mid-America Pipeline Company, LLC  
Coffeyville Outbound Line  
Cost of Service Summary

Summary  
Page 1 of 1

(\$000)

Line No.	Description	Source	Test Period
1	Total Cost of Service	Statement A1, Ln. 7	\$8,243
2	Deliveries (000 Bbls)	Statement A2, Ln. 2	2,415
3	Barrel-Mile (000 Bbl-mile)	Ln. 2 * WorkPaper 1, Ln. 47	258,423
4	Proposed Tariff Rate (\$/Bbl)	Statement A2, Ln. 3	\$3.4132
5	Rate Permitted Under § 342.3	N/A	N/A
6	Revenues Under Proposed Tariff Rate	Statement G, Ln. 2	\$8,243
7	Revenues Under § 342.3	N/A	N/A

Confidential Pursuant to 49 U.S.C. § 15(13) and 18 C.F.R. § 388.112

Mid-America Pipeline Company, LLC

Coffeyville Outbound Line

Total Cost of Service

Statement A1

Page 1 of 1

(\$000)

Line No.	Description	Source	Test Period
1	Overall Return on Rate Base	Statement C, Line 18	\$1,098
2	Income Tax Allowance	Statement D, Line 11	\$437
3	Operating Expenses Excluding Depreciation	Statement B, Lines (20 - 13)	\$6,121
4	Depreciation Expense	WorkPaper 2, Line 4	\$483
5	Amortization of AFUDC	Statement F2, Lines (4 + 10)	\$15
6	Amortization of Deferred Return	Statement E2, Line 14	\$89
7	Total Cost of Service	Sum Lines (1 through 6)	\$8,243

Confidential Pursuant to 49 U.S.C. § 15(13) and 18 C.F.R. § 388.112

Mid-America Pipeline Company, LLC  
Coffeyville Outbound Line  
Tariff Rates

Statement A2  
Page 1 of 1

Line No.	Description	Source	Test Period
1	Cost of Service (\$ 000)	Statement A1, Ln. 7	\$8,243
2	Deliveries (000 Bbls)	WorkPaper 1, Ln. 46	2,415
3	Proposed Tariff Rate (\$/Bbl)	Lines (1 / 2)	\$3.4132



# **EXHIBIT J**

# Mid – America Pipeline Company, LLC

## OIL PIPELINE TARIFF FILING

September 29, 2011

### CONTAINS REQUEST FOR CONFIDENTIAL TREATMENT

Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street N.E. Room 1A-209  
Washington, DC 20426

Dear Ms. Bose:

Mid-America Pipeline Company, LLC ("MAPL") files the following tariff, on one (1) day's notice, to be effective October 1, 2011, in compliance with the Interstate Commerce Act and the rules and regulations of the Federal Energy Regulatory Commission ("F.E.R.C.").

F.E.R.C. No. 82.1.0 (issued in lieu of F.E.R.C. No. 82.0.0, which was withdrawn)	Local Proportional Pipeline Tariff Containing Rates, Rules and Regulations Applying on the Interstate Transportation of Refined Petroleum Products
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F.E.R.C. No. 82.1.0 is being filed pursuant to 18 CFR § 342.2(a) (Establishing Initial Rates) to initiate a new rate for transportation service from Coffeyville, Kansas to El Dorado, Kansas, where MAPL connects to a pipeline that transports product to destinations outside the State of Kansas. Accordingly, MAPL is enclosing cost, revenue and throughput data supporting the new rate as required by Part 346 of the Commission's regulations. Because MAPL is establishing a rate for new service, the test period is based on a 12-month projection of costs and revenues in accordance with 18 CFR § 346.2.

Pursuant to 18 C.F.R. § 388.112, MAPL hereby requests confidential treatment of the cost-of-service schedules included with this tariff filing. The cost-of-service schedules contain confidential shipper information that is protected pursuant to Section 15(13) of the Interstate Commerce Act, 49 U.S.C. § 15(13). MAPL is therefore filing both a redacted public and confidential version of this tariff filing. MAPL will send a copy of the confidential version of the cost-of-service schedule to the shipper whose confidential information is at issue.

This filing constitutes a request for waiver of the thirty-day (30) notice requirement in compliance with Section 6(3) of the Interstate Commerce Act and 18 CFR § 341.14 (Special Permission). The line segment in question is currently leased to another company that is responsible for maintaining tariffs for transportation. Since the lease agreement expires on September 30, 2011, MAPL must have a rate in place to allow transportation to continue on the pipeline. MAPL therefore respectfully requests permission to file F.E.R.C. No. 82.1.0 on one (1) day's notice to be effective October 1, 2011. This filing is conditionally accepted subject to refund pending a thirty-day (30) review period.

MAPL Transmittal Letter  
September 29, 2011  
Page 2

I hereby certify that I have on or before this date sent one copy of this filing to each subscriber thereto by means of transmission agreed upon in writing by the subscriber.

Mid-America Pipeline Company, LLC requests that all protests or complaints, which in any way affect this publication, be transmitted to Steve Miao, concurrent with their filing/issuance, via facsimile at (713) 381-8290 and confirmed at (832) 275-5189.

If you need further information concerning this tariff filing, please call me at (713) 381-4778.

Respectfully,

  
Steve Miao  
Regulatory Affairs

# MID-AMERICA PIPELINE COMPANY, LLC

## LOCAL PROPORTIONAL PIPELINE TARIFF

Containing

### RATES, RULES AND REGULATIONS

Applying On the Interstate Transportation of

### REFINED PETROLEUM PRODUCTS

Transported by Pipeline

From and To Points Named Herein

Issued under authority of 18 CFR § 342.2(a).

Issued on one (1) day's notice under authority of 18 CFR § 341.14. This tariff publication is conditionally accepted subject to refund pending a 30 day review period.

The rates in this tariff are expressed in cents per barrel of 42 U.S. Gallons and are subject to change as provided by law, and are governed by the Rules and Regulations published herein, reissues hereof.

The provisions published herein will, if effective, not result in an effect on the quality of the human environment.

<b>ISSUED SEPTEMBER 29, 2011</b>	<b>EFFECTIVE DATE: OCTOBER 1, 2011</b>
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ISSUED AND COMPILED BY:

Steve Miao

1100 Louisiana Street, Houston, Texas 77002 – 5227

(713) 381-4778

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## GENERAL APPLICATION

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Product, only as defined herein, will be transported and/or handled through Carrier's facilities only as provided in these rules and regulations.

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## RULES AND REGULATIONS

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### **ITEM 5 DEFINITIONS**

"Barrel" shall mean forty-two (42) United States gallons of 231 cubic inches of sixty degrees Fahrenheit (60°F) and equilibrium vapor pressure.

"Carrier" shall mean Mid-America Pipeline Company, LLC.

"Customer Information Solution" (CIS) shall mean the integrated business operating system utilized by Carrier for the coordination of all business conducted on Carrier's pipelines and facilities.

"Day" shall mean the twenty-four (24) hours between 7:00 a.m. and 7:00 a.m. the following day.

"Interface" shall mean the mixture occurring in pipeline operations between adjoining batches having similar or dissimilar physical characteristics.

"Month" shall mean 7:00 A.M. of the first day of a calendar month to 7:00 A.M. on the first day of the following calendar month.

"Nomination" shall mean an offer by a Shipper to Carrier of a stated quantity of Product for transportation from a specified origin(s) to a specified destination(s) pursuant to the terms of this tariff.

"Product(s)" shall mean individually and collectively, Refined Petroleum Products meeting specifications issued by Carrier.

"Refined Petroleum Products" shall mean unleaded gasolines and petroleum distillates meeting specifications issued by Carrier.

"Shipper" shall mean any party who gives notice to transport Product under the provisions outlined in this tariff.

"Week" shall mean the one hundred sixty-eight (168) hours between 7:00 a.m. Monday and 7:00 a.m. the following Monday.

#### **ITEM 10 SCHEDULING OF RECEIPT**

Shippers desiring to originate Product shall furnish a nomination via CIS no later than the 15<sup>th</sup> calendar Day of the preceding month in which the Shipper desires transportation.

A nomination shall specify the origins and destinations of the Product offered to Carrier. If Shipper does not furnish such nomination, Carrier will be under no obligation to accept such Product for transportation.

Product will be accepted for transportation, subject to items contained herein, at such time and in such quantity as scheduled by Carrier.

Carrier will transport and deliver Product with reasonable diligence and dispatch considering the quantity, distance of transportation, safety of operations, and other material factors, but will accept no Product to be transported in time for any particular market. Enhanced facilities or services may be requested by a Shipper and may be provided for a Pipeage Contract in accordance with Item 85.

#### **ITEM 15 PRODUCT DELIVERABILITY REQUIREMENTS**

Carrier reserves the right to refuse to accept any Product for transportation which does not meet Carrier's then current product specifications dated October 1, 2011, which are available upon request, or which is not good merchantable Product readily acceptable for transportation through Carrier's existing facilities.

Shipper may be required to furnish Carrier with a certificate setting forth the specifications of each shipment of Product to be transported in Carrier's facilities. Carrier reserves the right to sample and/or test any such shipment prior to acceptance or during receipt, and in the event of variance between Shipper's certificate and Carrier's test, the latter shall prevail.

If, upon investigation, Carrier determines that Shipper has delivered to Carrier's facilities Product that has contaminated the common fungible stream, rendering all or a portion of the fungible Product stream undeliverable, Carrier reserves the right to treat or otherwise dispose of all contaminated Product in any reasonable commercial manner at Shipper's sole expense.

On Product received by Carrier that does not meet product deliverability requirements, Carrier will charge a penalty in the amount of one hundred (100) cents per Barrel for treating and handling such Product.

#### **ITEM 20 MINIMUM SHIPMENT**

A shipment of 5,000 Barrels or more of the same quality and specifications shall be required on all Products. Carrier may elect to accept a shipment of less than 5,000 Barrels of Product of the same required specifications for transportation subject to delay until Carrier has accumulated 5,000 Barrels of the same specifications from the same or other Shippers.

Product shall be offered for transportation in quantities, which can be received into Carrier's pipeline. Carrier will specify the quantity to be delivered to Carrier from a single origin. Shipper will be subject to linefill requirements of up to 10 days receipts.

#### **ITEM 25 APPLICATION OF RATES**

Carrier shall assess transportation and all other lawful charges accruing on Product accepted for transportation at the rate in effect at date Product is delivered to destination. Carrier will invoice Shipper for transportation charges and all other lawful charges accruing on Product accepted in accordance with Carrier's then current payment policies and procedures at the rates published herein.

#### **ITEM 30 ORIGIN AND DESTINATION FACILITIES**

Carrier shall accept product only when Shipper has provided necessary facilities for receipt of Product into Carrier's pipeline and delivery of Product from Carrier's pipeline at pressures and pumping rates required by Carrier.

#### **ITEM 40 MEASUREMENT**

Except as otherwise provided, Carrier shall make no charge for metering Product upon receipt and delivery.

Observed volumes of Refined Petroleum Products at operating pressures and temperatures shall be corrected to net volume at 60°F and atmospheric pressure using Tables 5B and 6B, Chapter 11.1, API Standard 2540 and compressibility factors from API Standard 1101. These standards are subject to any future revisions or changes issued by the API.

#### **ITEM 45 IDENTITY OF SHIPMENTS**

Carrier may commingle Product received from the origins shown herein. Carrier reserves the right at any time to substitute and deliver Product of the same specifications as the Product tendered.

#### **ITEM 55 DEMURRAGE**

Shipper shall remove Product, or cause Product to be removed, from Carrier's facilities following transportation to a nominated destination. In the event failure to remove Product threatens or prevents delivery of succeeding shipments into or out of Carrier's facilities, and/or threatens or causes congestion at Carrier's terminals, Carrier shall have the right, but not the obligation, without liability to Shipper, to make such disposition of unremoved Product as is necessary for the efficient operation of the pipeline, and Shipper shall pay Carrier all charges associated with such disposition the same as if Shipper had authorized such, together with any associated additional costs and damages borne or incurred by Carrier.

In the event failure to remove product from Carrier's facilities prevents delivery of succeeding shipments for more than 12 hours in any 24-hour period, Shipper will pay demurrage penalty of fifty-six (56) cents per barrel of system linefill for each day delivery of succeeding shipments is prevented.

#### **ITEM 60 PAYMENT OF CARRIER CHARGES**

The Shipper or consignee shall pay all transportation and other lawful charges accruing on Product delivered to and accepted by Carrier for shipment and, if required, shall pay the same before delivery at destination. Carrier shall have a lien on all Product in its possession belonging to Shipper or consignee to secure the payment of any and all unpaid transportation, or any lawful charges that are due Carrier, that are unpaid by Shipper or consignee, and may withhold such Product from delivery until all unpaid charges have been paid. If said charges remain unpaid ten (10) days after final notice and demand therefore, Carrier shall have the right, through an Agent, to sell such Product at public auction, on any day not a legal holiday, in not less than forty-eight (48) hours after publication of notice of such sale in a daily newspaper of general circulation published in the town or city where the sale is to be held, stating the time, place of sale, and the quantity and location of Product to be sold. At said sale, Carrier shall have the right to bid, and if the highest bidder, to become the purchaser. From the proceeds of said sale, Carrier will pay itself the transportation and all other lawful charges, including expenses incident to said sale, and the balance remaining, if any, shall be held for whomsoever may be lawfully entitled thereto.

#### **ITEM 65 ACCEPTANCE FREE FROM LIENS AND CHARGES**

Carrier will refuse any shipment for transportation, which may be encumbered by a lien or charge of any kind, or which may be involved in litigation or the ownership thereof may be in dispute. When any Product so encumbered or subject to litigation or dispute is tendered for transportation, Carrier will require of Shipper satisfactory evidence of his perfect and unencumbered title or satisfactory indemnity bond to protect Carrier against any or all loss.

#### **ITEM 70 LIABILITY OF CARRIER**

Carrier shall not be liable for any delay in delivery or for any loss of Product caused by an act of God, public enemy, quarantine, authority of law, strikes, riots, fire, floods, or by act of default of consignor or consignee, or resulting from any other cause not due to the negligence of Carrier, whether similar or dissimilar to the causes herein enumerated. Any such loss shall be apportioned by Carrier to each shipment of Product or portion thereof involved in such loss in the proportion that such shipment or portion thereof bears to the total of all Product involved in the loss, and each consignee shall be entitled to receive only that portion of its shipment remaining after deducting his proportion as above determined of such loss. Carrier shall prepare and submit a statement to Shippers and consignees showing the apportionment of any such loss.

The Carrier operates under this tariff solely as a common carrier and not as an owner, manufacturer, or seller of the Product transported or stored hereunder, and Carrier expressly disclaims any liability for any expressed or implied warranty for Products transported or stored hereunder including any warranties of merchantability or fitness for intended use.

#### **ITEM 75 CLAIMS - TIME FOR FILING**

Notice of claims for loss or damage must be made in writing to Carrier within nine (9) months after delivery of the Product, or in the case of a failure to make delivery, then within (9) months after a reasonable time for delivery has elapsed. Suit against Carrier shall be instituted only within two (2) years and one (1) day from the day when notice in writing is given by Carrier to the claimant that Carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, such claims will not be paid and the Carrier shall not be liable.

#### **ITEM 80 SCHEDULING OF DELIVERY**

When Shippers request delivery from the pipeline to the requested destination of a volume of Product greater than can be immediately delivered, Carrier shall schedule delivery. Carrier shall not be liable for any delay in delivery resulting from such scheduling of delivery.

#### **ITEM 85 PIPEAGE CONTRACTS**

Separate agreements in accord with this tariff, and these regulations covering further details, may be required by Carrier before any duty for transportation shall arise.

#### **ITEM 90 APPLICATION OF RATES FROM INTERMEDIATE POINTS**

For Product accepted for transportation from any point on Carrier's pipeline not named in this tariff, which is an intermediate point from which rates are published herein, through such unnamed point, Carrier will apply from such unnamed point the rate published herein from the next more distant point specified in the tariff. If service is to be used on a continuous basis for more than 30 days, Carrier will file a tariff applicable to the transportation movement.

#### **ITEM 95 APPLICATION OF RATES TO INTERMEDIATE POINTS**

For Product accepted for transportation to any point on Carrier's pipeline named in this tariff, which is intermediate to a point to which rates are published herein, through such unnamed point, Carrier will apply to such unnamed point the rate published herein to the next more distant point specified in this tariff. If service is to be used on a continuous basis for more than 30 days, Carrier will file a tariff applicable to the transportation movement.

#### **ITEM 100 ALLOCATION**

In the event Shipper's total requirements are greater than can be currently handled by Carrier, Carrier shall prorate available capacity so as to avoid discrimination.

#### **ITEM 110 ROUTING INSTRUCTIONS**

All rates apply via Mid-America Pipeline Company, LLC.

#### **ITEM 120 TRANSPORTATION INVENTORY**

Quantities of Product received into Carrier's custody for transportation to Shipper's nominated destination will constitute Shipper's Transportation Inventory prior to delivery. If Product cannot be accepted by the nominated destination through no fault of Carrier, undelivered quantities will be returned to Shipper's Holding (storage) inventory.

#### **ITEM 145 INTERFACE**

Shippers shall accept and be responsible for handling of any interface generated within or between Products.



<b>RATES</b> (In Cents per Barrel)
---------------------------------------

**ITEM 290 LOCAL PROPORTIONAL RATE FOR REFINED PETROLEUM PRODUCTS FOR FURTHER MOVEMENT BEYOND DESTINATION**

ORIGIN	DESTINATION	RATE
Coffeyville, Kansas	El Dorado, Kansas	341.32

**ABBREVIATIONS AND REFERENCE MARKS**

API	American Petroleum Institute
F	Fahrenheit
F.E.R.C.	Federal Energy Regulatory Commission
GPA	Gas Processors Association
MAPL	Mid-America Pipeline Company, LLC

# **EXHIBIT K**

## James Zakoura

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**From:** James Zakoura  
**Sent:** Friday, October 14, 2011 4:14 PM  
**To:** Patricia Totten  
**Cc:** Glenda Cafer; Terri Pemberton; 'Gross, Edmund'  
**Subject:** Coffeyville Resources - Pipeline Nominations .

Tricia –

I would please bring a couple of items to your attention, and request your assistance in the resolution of these items .

First, I am advised by operating personnel of Coffeyville Resources Refining & Marketing (CRRM), that the automated nomination system of Mid-America Pipeline Company (MAPL) will not permit CRRM to make nominations for either the inbound shipment of natural gas liquids from Conway to Coffeyville, or the outbound shipment of gasoline or diesel from Coffeyville to El Dorado . When CRRM attempts to nominate shipments, the message is received from the MAPL automated system, that CRRM is not permitted to nominate and there is no Tariff that is in effect that permits nomination by CRRM on either the inbound or outbound pipeline of MAPL . Based on the KCC Order dated September 30, 2011, that message from the MAPL automated system is in error . CRRM would please request that MAPL take actions to correct the described situation regarding automated nominations by CRRM .

Second, MAPL personnel have advised that MAPL will not accept a nomination on the outbound line, unless CRRM declares the amount, if any, which will be shipped in interstate commerce . The MAPL Tariff ( F.E.R.C. No. 82.0.0 ), issued September 21, 2011, contained Item 25 – Application of Rates – which required a declaration by Affidavit of volumes designated for intrastate commerce, with the effect that remaining volumes would be interstate in nature . However, in the MAPL Tariff ( F.E.R.C. No. 82.1.0 ) issued on September 29, 2011, the herein described Item 25 was deleted . MAPL does not have a F.E.R.C. Tariff or KCC Tariff basis to require the declaration of intrastate / interstate destination, as a basis for rejecting or conditioning a nomination to ship on either an intrastate or interstate basis, on the MAPL outbound pipeline . Further, the ultimate destination of CRRM volumes would not typically be determined by CRRM ( or other refiners / shippers ) at the time of a prior month nomination, but instead would typically be determined at a later time, much closer to date of sale .

Your attention to these matters is appreciated .

James P. Zakoura  
Smithyman & Zakoura, Chartered  
750 Commerce Plaza II  
7400 West 110th Street  
Overland Park, KS 66210

(913) 661-9800  
Fax: (913) 661-9863  
Cell: (913) 944-2263  
Home: (913) 338-3329  
Email: [jim@smizak-law.com](mailto:jim@smizak-law.com)

# **EXHIBIT L**

## James Zakoura

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**From:** Totten, Patricia [PATotten@eprod.com]  
**Sent:** Sunday, October 16, 2011 5:54 PM  
**To:** James Zakoura  
**Cc:** Glenda Cafer; Terri Pemberton; Gross, Edmund; Binney, Gary; Miao, Steve; Poynor, Daniel; Callaway, Jamie; Collingsworth, Jim; Albrecht, Raymond  
**Subject:** RE: Coffeyville Resources - Pipeline Nominations .  
  
**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Jim:

I am in receipt of your email below. We are working as quickly as possible to program CIS for both intrastate and interstate nominations on the outbound line. Nominations should be available for the inbound line using the rate in KCC Tariff No 12 as the interim rate and terms. I will check on that status tomorrow. In the meantime, Jamie Callaway has communicated to Rick Senecaut that she will process October 2011 nominations by email. We are sorry for the temporary inconvenience.

As to the need to know the ultimate destination for billing purposes for the outbound line, to the extent that is known at the time of nomination CCRM will need to so nominate. If the ultimate destination is not know at the time of nomination then CCRM shall provide that information as soon as It knows same. This is of course for billing purposes as the interim intrastate rate differs from the interstate rate.

Thank you.

Regards,  
Tricia Totten  
Vice President & Regulatory Counsel  
Enterprise Products Partners L.P.  
1100 Louisiana, Suite 1400  
PO Box 2521  
Houston, Texas 77252-2521  
Office Phone: 713.381.3939  
Wireless Phone: 713.444.1193  
Fax: 713.803.1307

---

**From:** James Zakoura [<mailto:jim@smizak-law.com>]  
**Sent:** Friday, October 14, 2011 4:14 PM  
**To:** Totten, Patricia  
**Cc:** Glenda Cafer; Terri Pemberton; Gross, Edmund  
**Subject:** Coffeyville Resources - Pipeline Nominations .

Tricia –

I would please bring a couple of items to your attention, and request your assistance in the resolution of these items .

First, I am advised by operating personnel of Coffeyville Resources Refining & Marketing (CRRM), that the automated nomination system of Mid-America Pipeline Company (MAPL) will not permit CRRM to make nominations for either the inbound shipment of natural gas liquids from Conway to Coffeyville, or the outbound shipment of gasoline or diesel

from Coffeyville to El Dorado . When CRRM attempts to nominate shipments, the message is received from the MAPL automated system, that CRRM is not permitted to nominate and there is no Tariff that is in effect that permits nomination by CRRM on either the inbound or outbound pipeline of MAPL . Based on the KCC Order dated September 30, 2011, that message from the MAPL automated system is in error . CRRM would please request that MAPL take actions to correct the described situation regarding automated nominations by CRRM .

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Your attention to these matters is appreciated .

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Email: [jim@smizak-law.com](mailto:jim@smizak-law.com)

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This message (including any attachments) is confidential and intended for a specific individual and purpose. If you are not the intended recipient, please notify the sender immediately and delete this message.

# **EXHIBIT M**

## Mid – America Pipeline Company, LLC

### OIL PIPELINE TARIFF FILING

December 27, 2011

Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street N.E. Room 1A-209  
Washington, DC 20426

Dear Ms. Bose:

Mid-America Pipeline Company, LLC ("MAPL") submits the following tariff to be effective January 27, 2012, in compliance with the Interstate Commerce Act and the rules and regulations of the Federal Energy Regulatory Commission ("F.E.R.C.").

F.E.R.C. No. 82.2.0      Cancels      F.E.R.C. No. 82.1.0 (Docket No. IS11-604-000)

F.E.R.C. No. 82.2.0 is being filed to add language to Item 25 (Application of Rates). F.E.R.C. No. 82.2.0 governs interstate movements on MAPL's refined petroleum products line from Coffeyville, Kansas to El Dorado, Kansas, where MAPL connects to other pipelines that transport product to destinations outside the State of Kansas. As the Commission has recognized, movements on this line involve both interstate and intrastate commerce. See *Mid-America Pipeline Company*, 137 FERC ¶ 61,090 at P 11 (2011). Pursuant to the Interstate Commerce Act, the carrier has an obligation to bill shippers correctly for movements made and shippers have an obligation to provide accurate information regarding the nature of their shipments in order to permit correct billing. See 49 U.S.C. § 10. As the Commission has noted, "[w]hether an intrastate or interstate rate should be charged for a particular movement on the subject line depends on whether the movement ends in Kansas or is a through movement into interstate commerce." *Mid-America*, 137 FERC at P 11. Information regarding the ultimate destination of the movements in question is, or should be, known by the shipper. The proposed language therefore requires shippers to provide information sufficient for MAPL to determine which volumes move in interstate commerce.

I hereby certify that I have on or before this date sent one copy of this filing to each subscriber thereto by means of transmission agreed upon in writing by the subscriber.

MAPL requests that all protests or complaints, which in any way affect this publication, be transmitted to Steve Miao, concurrent with their filing/issuance, via facsimile at (713) 381-8290 and confirmed at (832) 275-5189.

If you need further information concerning this tariff filing, please call me at (713) 381-4778.

Respectfully,

/s/ Steve Miao

Steve Miao  
Regulatory Affairs



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F.E.R.C. ICA Oil Tariff

F.E.R.C. No. 82.2.0  
(Cancels F.E.R.C. No. 82.1.0)

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# MID-AMERICA PIPELINE COMPANY, LLC

## LOCAL PROPORTIONAL PIPELINE TARIFF

Containing

### RATES, RULES AND REGULATIONS

Applying On the Interstate Transportation of

### REFINED PETROLEUM PRODUCTS

Transported by Pipeline

From and To Points Named Herein

~~[C] Issued under authority of 18 CFR § 342.2(a).~~

~~[C] Issued on one (1) day's notice under authority of 18 CFR § 341.14. This tariff publication is conditionally accepted subject to refund pending a 30-day review period.~~

The rates in this tariff are expressed in cents per barrel of 42 U.S. Gallons and are subject to change as provided by law, and are governed by the Rules and Regulations published herein, reissues hereof.

The provisions published herein will, if effective, not result in an effect on the quality of the human environment.

<b>ISSUED DECEMBER 27, 2011</b>	<b>EFFECTIVE DATE: JANUARY 27, 2012</b>
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ISSUED AND COMPILED BY:

Steve Miao

1100 Louisiana Street, Houston, Texas 77002 – 5227  
(713) 381-4778

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## GENERAL APPLICATION

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Product, only as defined herein, will be transported and/or handled through Carrier's facilities only as provided in these rules and regulations.

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## RULES AND REGULATIONS

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### **ITEM 5 DEFINITIONS**

"Barrel" shall mean forty-two (42) United States gallons of 231 cubic inches of sixty degrees Fahrenheit (60°F) and equilibrium vapor pressure.

"Carrier" shall mean Mid-America Pipeline Company, LLC.

"Customer Information Solution" (CIS) shall mean the integrated business operating system utilized by Carrier for the coordination of all business conducted on Carrier's pipelines and facilities.

"Day" shall mean the twenty-four (24) hours between 7:00 a.m. and 7:00 a.m. the following day.

"Interface" shall mean the mixture occurring in pipeline operations between adjoining batches having similar or dissimilar physical characteristics.

"Month" shall mean 7:00 A.M. of the first day of a calendar month to 7:00 A.M. on the first day of the following calendar month.

"Nomination" shall mean an offer by a Shipper to Carrier of a stated quantity of Product for transportation from a specified origin(s) to a specified destination(s) pursuant to the terms of this tariff.

"Product(s)" shall mean individually and collectively, Refined Petroleum Products meeting specifications issued by Carrier.

"Refined Petroleum Products" shall mean unleaded gasolines and petroleum distillates meeting specifications issued by Carrier.

"Shipper" shall mean any party who gives notice to transport Product under the provisions outlined in this tariff.

"Week" shall mean the one hundred sixty-eight (168) hours between 7:00 a.m. Monday and 7:00 a.m. the following Monday.

#### **ITEM 10 SCHEDULING OF RECEIPT**

Shippers desiring to originate Product shall furnish a nomination via CIS no later than the 15<sup>th</sup> calendar Day of the preceding month in which the Shipper desires transportation.

A nomination shall specify the origins and destinations of the Product offered to Carrier. If Shipper does not furnish such nomination, Carrier will be under no obligation to accept such Product for transportation.

Product will be accepted for transportation, subject to items contained herein, at such time and in such quantity as scheduled by Carrier.

Carrier will transport and deliver Product with reasonable diligence and dispatch considering the quantity, distance of transportation, safety of operations, and other material factors, but will accept no Product to be transported in time for any particular market. Enhanced facilities or services may be requested by a Shipper and may be provided for a Pipeage Contract in accordance with Item 85.

#### **ITEM 15 PRODUCT DELIVERABILITY REQUIREMENTS**

Carrier reserves the right to refuse to accept any Product for transportation which does not meet Carrier's then current product specifications dated October 1, 2011, which are available upon request, or which is not good merchantable Product readily acceptable for transportation through Carrier's existing facilities.

Shipper may be required to furnish Carrier with a certificate setting forth the specifications of each shipment of Product to be transported in Carrier's facilities. Carrier reserves the right to sample and/or test any such shipment prior to acceptance or during receipt, and in the event of variance between Shipper's certificate and Carrier's test, the latter shall prevail.

If, upon investigation, Carrier determines that Shipper has delivered to Carrier's facilities Product that has contaminated the common fungible stream, rendering all or a portion of the fungible Product stream undeliverable, Carrier reserves the right to treat or otherwise dispose of all contaminated Product in any reasonable commercial manner at Shipper's sole expense.

On Product received by Carrier that does not meet product deliverability requirements, Carrier will charge a penalty in the amount of one hundred (100) cents per Barrel for treating and handling such Product.

#### **ITEM 20 MINIMUM SHIPMENT**

A shipment of 5,000 Barrels or more of the same quality and specifications shall be required on all Products. Carrier may elect to accept a shipment of less than 5,000 Barrels of Product of the same required specifications for transportation subject to delay until Carrier has accumulated 5,000 Barrels of the same specifications from the same or other Shippers.

Product shall be offered for transportation in quantities, which can be received into Carrier's pipeline. Carrier will specify the quantity to be delivered to Carrier from a single origin. Shipper will be subject to linefill requirements of up to 10 days receipts.

#### **ITEM 25 APPLICATION OF RATES**

Carrier shall assess transportation and all other lawful charges accruing on Product accepted for transportation at the rate in effect at date Product is delivered to destination. Carrier will invoice Shipper for transportation charges and all other lawful charges accruing on Product accepted in accordance with Carrier's then current payment policies and procedures at the rates published herein.

[N] In order for Carrier to determine the correct rate to be charged Shipper on barrels moving in interstate commerce, Carrier requires information sufficient to determine which of Shipper's volumes that moved between the origin and destination set forth in this tariff ultimately moved in interstate commerce. Shipper therefore shall upon request provide a sworn affidavit certifying which of Shipper's volumes moved in interstate commerce and identifying for each barrel moved by Shipper (1) the ultimate destination(s), (2) the specific routing of the movement, and (3) the name of all consignee(s). If requested by Carrier, Shipper shall also provide copies of invoices from any connecting carrier showing the ultimate destination on the connecting carrier for each movement. To the extent any of the above information is not in the immediate possession of Shipper, Shipper shall take all reasonable steps to obtain such information from consignees, connecting carriers, purchasers and any other party likely to know the information. Shipper shall use its best efforts to identify all interstate volumes at the time of nomination. To the extent Shipper's nomination or any information provided to Carrier by Shipper pursuant to this item is later found by Shipper to be inaccurate, Shipper shall provide corrected information to Carrier in a timely manner. Carrier shall be under no obligation to provide transportation to any Shipper that fails to provide information requested pursuant to this item or which provides false information.

### **ITEM 30 ORIGIN AND DESTINATION FACILITIES**

Carrier shall accept product only when Shipper has provided necessary facilities for receipt of Product into Carrier's pipeline and delivery of Product from Carrier's pipeline at pressures and pumping rates required by Carrier.

### **ITEM 40 MEASUREMENT**

Except as otherwise provided, Carrier shall make no charge for metering Product upon receipt and delivery.

Observed volumes of Refined Petroleum Products at operating pressures and temperatures shall be corrected to net volume at 60°F and atmospheric pressure using Tables 5B and 6B, Chapter 11.1, API Standard 2540 and compressibility factors from API Standard 1101. These standards are subject to any future revisions or changes issued by the API.

### **ITEM 45 IDENTITY OF SHIPMENTS**

Carrier may commingle Product received from the origins shown herein. Carrier reserves the right at any time to substitute and deliver Product of the same specifications as the Product tendered.

### **ITEM 55 DEMURRAGE**

Shipper shall remove Product, or cause Product to be removed, from Carrier's facilities following transportation to a nominated destination. In the event failure to remove Product threatens or prevents delivery of succeeding shipments into or out of Carrier's facilities, and/or threatens or causes congestion at Carrier's terminals, Carrier shall have the right, but not the obligation, without liability to Shipper, to make such disposition of unremoved Product as is necessary for the efficient operation of the pipeline, and Shipper shall pay Carrier all charges associated with such disposition the same as if Shipper had authorized such, together with any associated additional costs and damages borne or incurred by Carrier.

In the event failure to remove product from Carrier's facilities prevents delivery of succeeding shipments for more than 12 hours in any 24-hour period, Shipper will pay demurrage penalty of fifty-six (56) cents per barrel of system linefill for each day delivery of succeeding shipments is prevented.

### **ITEM 60 PAYMENT OF CARRIER CHARGES**

The Shipper or consignee shall pay all transportation and other lawful charges accruing on Product delivered to and accepted by Carrier for shipment and, if required, shall pay the same before delivery at destination. Carrier shall have a lien on all Product in its possession belonging to Shipper or consignee to secure the payment of any and all unpaid transportation, or any lawful charges that are due Carrier, that are unpaid by Shipper or consignee, and may withhold such Product from delivery until all unpaid charges have been paid. If said charges remain unpaid ten (10) days after final notice and demand therefore, Carrier shall have the right, through an Agent, to sell such Product at public auction, on any day not a legal holiday, in not less than forty-eight (48) hours after publication of notice of such sale in a daily newspaper of general circulation published in the town or city where the sale is to be held, stating the time, place of sale, and the quantity and location of Product to be sold. At said sale, Carrier shall have the right to bid, and if the highest bidder, to become the purchaser. From the proceeds of said sale, Carrier will pay itself the transportation and all other lawful charges, including expenses incident to said sale, and the balance remaining, if any, shall be held for whomsoever may be lawfully entitled thereto.

### **ITEM 65 ACCEPTANCE FREE FROM LIENS AND CHARGES**

Carrier will refuse any shipment for transportation, which may be encumbered by a lien or charge of any kind, or which may be involved in litigation or the ownership thereof may be in dispute. When any Product so encumbered or subject to litigation or dispute is tendered for transportation, Carrier will require of Shipper satisfactory evidence of his perfect and unencumbered title or satisfactory indemnity bond to protect Carrier against any or all loss.

#### **ITEM 70 LIABILITY OF CARRIER**

Carrier shall not be liable for any delay in delivery or for any loss of Product caused by an act of God, public enemy, quarantine, authority of law, strikes, riots, fire, floods, or by act of default of consignor or consignee, or resulting from any other cause not due to the negligence of Carrier, whether similar or dissimilar to the causes herein enumerated. Any such loss shall be apportioned by Carrier to each shipment of Product or portion thereof involved in such loss in the proportion that such shipment or portion thereof bears to the total of all Product involved in the loss, and each consignee shall be entitled to receive only that portion of its shipment remaining after deducting his proportion as above determined of such loss. Carrier shall prepare and submit a statement to Shippers and consignees showing the apportionment of any such loss.

The Carrier operates under this tariff solely as a common carrier and not as an owner, manufacturer, or seller of the Product transported or stored hereunder, and Carrier expressly disclaims any liability for any expressed or implied warranty for Products transported or stored hereunder including any warranties of merchantability or fitness for intended use.

#### **ITEM 75 CLAIMS - TIME FOR FILING**

Notice of claims for loss or damage must be made in writing to Carrier within nine (9) months after delivery of the Product, or in the case of a failure to make delivery, then within (9) months after a reasonable time for delivery has elapsed. Suit against Carrier shall be instituted only within two (2) years and one (1) day from the day when notice in writing is given by Carrier to the claimant that Carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, such claims will not be paid and the Carrier shall not be liable.

#### **ITEM 80 SCHEDULING OF DELIVERY**

When Shippers request delivery from the pipeline to the requested destination of a volume of Product greater than can be immediately delivered, Carrier shall schedule delivery. Carrier shall not be liable for any delay in delivery resulting from such scheduling of delivery.

#### **ITEM 85 PIPEAGE CONTRACTS**

Separate agreements in accord with this tariff, and these regulations covering further details, may be required by Carrier before any duty for transportation shall arise.

#### **ITEM 90 APPLICATION OF RATES FROM INTERMEDIATE POINTS**

For Product accepted for transportation from any point on Carrier's pipeline not named in this tariff, which is an intermediate point from which rates are published herein, through such unnamed point, Carrier will apply from such unnamed point the rate published herein from the next more distant point specified in the tariff. If service is to be used on a continuous basis for more than 30 days, Carrier will file a tariff applicable to the transportation movement.

#### **ITEM 95 APPLICATION OF RATES TO INTERMEDIATE POINTS**

For Product accepted for transportation to any point on Carrier's pipeline named in this tariff, which is intermediate to a point to which rates are published herein, through such unnamed point, Carrier will apply to such unnamed point the rate published herein to the next more distant point specified in this tariff. If service is to be used on a continuous basis for more than 30 days, Carrier will file a tariff applicable to the transportation movement.

#### **ITEM 100 ALLOCATION**

In the event Shipper's total requirements are greater than can be currently handled by Carrier, Carrier shall prorate available capacity so as to avoid discrimination.

#### **ITEM 110 ROUTING INSTRUCTIONS**

All rates apply via Mid-America Pipeline Company, LLC.

**ITEM 120 TRANSPORTATION INVENTORY**

Quantities of Product received into Carrier's custody for transportation to Shipper's nominated destination will constitute Shipper's Transportation Inventory prior to delivery. If Product cannot be accepted by the nominated destination through no fault of Carrier, undelivered quantities will be returned to Shipper's Holding (storage) inventory.

**ITEM 145 INTERFACE**

Shippers shall accept and be responsible for handling of any interface generated within or between Products.

<b>RATES</b> (In Cents per Barrel)
---------------------------------------

**ITEM 290 LOCAL PROPORTIONAL RATE FOR REFINED PETROLEUM PRODUCTS FOR FURTHER MOVEMENT BEYOND DESTINATION**

ORIGIN	DESTINATION	RATE
Coffeyville, Kansas	El Dorado, Kansas	[U] 341.32

**ABBREVIATIONS AND REFERENCE MARKS**

API	American Petroleum Institute
F	Fahrenheit
F.E.R.C.	Federal Energy Regulatory Commission
GPA	Gas Processors Association
MAPL	Mid-America Pipeline Company, LLC
[N]	New
[U]	Unchanged rate

FERC rendition of the electronically filed tariff records in Docket No. IS12-00097-000

Filing Data:

CID: C000879

Filing Title: Coffeyville Outbound Tariff Revision

Company Filing Identifier: 29

Type of Filing Code: 830

Associated Filing Identifier:

Tariff Title: Tariffs

Tariff ID: 27

Payment Confirmation:

Suspension Motion:

Tariff Record Data:

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Coffeyville Outbound, F.E.R.C. No. 82.2.0, 82.2.0, A

Record Narrative Name:

Tariff Record ID: 13

Tariff Record Collation Value: 83886080 Tariff Record Parent Identifier: 0

Proposed Date: 2012-01-27

Priority Order: 1000000000

Record Change Type: CHANGE

Record Content Type: 2

Associated Filing Identifier:

This is a PDF section and we cannot render PDF in a RTF document.

Document Content(s)

Transmittal FERC No. 82.2.0.PDF.....	1-1
Clean Tariff.PDF.....	2-7
FERC GENERATED TARIFF FILING.RTF.....	8-8



# **EXHIBIT N**

**Kansas Corporation Commission  
Information Request**

Request No: 139

Company Name Coffeyville Resources Refining & Marketing, LLC

Docket Number 12-MDAP-068-RTS

Request Date October 25, 2011

Date Information Needed November 2, 2011

RE: Volumes – Outbound Line

**Please Provide the Following:**

For the outbound line please provide the following:

1. For each product shipped on the outbound line please provide a detailed listing showing the type of product shipped, the corresponding shipper, and the applicable volumes that were transported from January 1, 2009 to September 30, 2011.

Please provide this information on a monthly basis in excel format.

2. For each product listed in No. 1 above, please indicate whether the volumes shipped were on an interstate basis or intrastate basis.

3. For the total volumes shipped, please provide the percent of costs, expenses and/or revenues that are allocated to interstate operations and intrastate operations. Please provide all supporting work papers detailing how the allocation percentage was derived.

4. On a monthly basis, please provide the estimated volumes Coffeyville intends to transport in the future.

a. Please provide this information for November 1, 2011 to December 3, 2013.

b. Please break the estimated volumes out between the interstate volume shipments and intrastate volumes shipments.

Submitted By Laura Bowman

Submitted To James Zakoura

**CRRM RESPONSE:**

1. Please see attached Spreadsheet entitled "CRRM Shipping From CVR Refinery" originally produced in response to Staff Data Request No. 100. CRRM is the only shipper on the Outbound Line.

2. Please see attached Spreadsheet entitled "Staff DR 113 – MAPCO Case – Nustar Sales" originally produced in response to Staff Data Request No. 113.

3. No such allocation is made.

4.

- a. No such definitive estimate is made. However, Senior Vice President of Refined Products, Michael R. Puddy, states at p. 3 of his Direct Testimony that CRRM intends and expects to operate the refinery at its full capacity of 115,000 barrels per day during the requested period. Mr. Puddy also estimates that CRRM shipments on the Outbound Line for annual periods subsequent to calendar year 2010 will be substantially similar to the volumes shipped in 2010. CRRM estimates shipments of refined petroleum products on the Outbound Line to be approximately 10,000 barrels per day and 3,488,305 barrels per year. (Puddy Test. at 4-5). However, this estimate is dependent upon normal economic and operational conditions faced by all petroleum refiners.
- b. Determinations regarding shipping and marketing destinations of CRRM refined products are undertaken on virtually a daily basis depending upon economic and operating conditions at various terminal locations. As a result, CRRM does not conduct the long-term planning of interstate and intrastate sales destinations as referenced by KCC Staff in its Request. The attached Spreadsheet entitled "Staff DR 113 - Mapco Case - Nustar Sales" does provide historical interstate and intrastate shipping volumes on an annual basis for the years 2008 through 2010.

#### Verification of Response

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: \_\_\_\_\_

*Michael R. Puddy*

Date: \_\_\_\_\_

*10/31/11*

# **Sales at NuStar Pipeline Terminals in 2011 YTD through September**

	Gallons	Total Barrels	Barrels by State	% of total
Concordia, Kansas	3,344,426	79,629		
Salina, Kansas	4,174,679	99,397		
Hutchinson, Kansas	45,793	1,090		
Phillipsburg, Kansas	6,064,633	144,396		
BULK	48,687,618	1,159,229		Note 1
Magellan Transfers	6,265,056	149,168		
			1,632,910	84.38%
Norfolk, Nebraska	2,202,280	52,435		
Columbus, Nebraska	468,161	11,147		
North Platte, Nebraska	2,610,535	62,156		
Geneva, Nebraska	1,587,620	37,800		
Osceola, Nebraska	0	0		
			163,538	8.45%
Mitchell, South Dakota	2,072,392	49,343		
Sioux Falls, SD	655,703	15,612		
Yankton, SD	574,090	13,669		
Wolsey, SD	1,085,860	25,854		
Aberdeen, SD	1,418,341	33,770		
			138,247	7.14%
LeMars, Iowa	22,565	<u>537</u>		
			<u>537</u>	<u>0.03%</u>
Total for 2011	81,279,752	1,935,232	1,935,232	100.00%

# **Sales at NuStar Pipeline Terminals in 2010**

	Gallons	Total Barrels	Barrels by State	% of total
Concordia, Kansas	3,284,997	78,214		
Salina, Kansas	7,300,742	173,827		
Hutchinson, Kansas	46,664	1,111		
Phillipsburg, Kansas	19,620,969	467,166		
BULK	76,219,441	1,814,749		Note 1
Magellan Transfers	20,697,432	492,796		
			3,027,863	85.91%
Norfolk, Nebraska	4,364,004	103,905		
Columbus, Nebraska	865,643	20,611		
North Platte, Nebraska	8,105,866	192,997		
Geneva, Nebraska	5,830,839	138,830		
Osceola, Nebraska	35,699	850		
			457,192	12.97%
Mitchell, South Dakota	580,967	13,833		
Sioux Falls, SD	368,698	8,779		
Yankton, SD	183,521	4,370		
Wolsey, SD	193,820	4,615		

Aberdeen, SD	303,165	7,218		
			38,814	1.10%
LeMars, Iowa	<u>22,551</u>	<u>537</u>		
			<u>537</u>	<u>0.02%</u>
Total for 2010	148,025,018	3,524,405	3,524,405	100.00%

#### Sales at NuStar Pipeline Terminals in 2009

	Gallons	Total Barrels	Barrels by State	% of total
Concordia, Kansas	833013	19,834		
Salina, Kansas	1831828	43,615		
Hutchinson, Kansas	0	0		
Phillipsburg, Kansas	20,364,570	484,871		
BULK	97,192,946	2,314,118		Note 1
Magellan Transfers	15,409,758	366,899		
			3,229,336	96.49%
Norfolk, Nebraska	0	0		
Columbus, Nebraska	38,853	925		
North Platte, Nebraska	2,642,856	62,925		
Geneva, Nebraska	2,254,493	53,678		
Osceola, Nebraska	0	0		
			117,529	3.51%
Mitchell, South Dakota	0	0		
Sioux Falls, SD	0	0		
Yankton, SD	0	0		
Wolsey, SD	0	0		
Aberdeen, SD	0	0		
			0	0.00%
LeMars, Iowa	<u>0</u>	<u>0</u>		
			<u>0</u>	<u>0.00%</u>
Total for 2009	140,568,317	3,346,865	3,346,865	100.00%

#### Sales at NuStar Pipeline Terminals in 2008

	Gallons	Total Barrels	Barrels by State	% of total
Concordia, Kansas	0	0		
Salina, Kansas	0	0		
Hutchinson, Kansas	0	0		
Phillipsburg, Kansas	30,346,987	722,547		
BULK	64,445,179	1,534,409		Note 1
Magellan Transfers	9,818,676	233,778		
			2,490,734	100.00%
Norfolk, Nebraska	0	0		
Columbus, Nebraska	0	0		

North Platte, Nebraska	0	0		
Geneva, Nebraska	0	0		
Osceola, Nebraska	0	0	0	0.00%
Mitchell, South Dakota	0	0		
Sioux Falls, SD	0	0		
Yankton, SD	0	0		
Wolsey, SD	0	0		
Aberdeen, SD	0	0		
LeMars, Iowa	<u>0</u>	<u>0</u>	0	0.00%
			<u>0</u>	<u>0.00%</u>
Total for 2008	104,610,842	2,490,734	2,490,734	100.00%

Note 1 Bulk represents bbls sold to third parties as pipeline batches versus delivery by truck at the terminal level. These transfers are made at either ElDorado, Kansas on shipments or Concordia, Kansas if by PTO's.

# **EXHIBIT O**

**RESPONSE OF CRRM TO THIRD SET OF  
MAPL DATA REQUESTS  
Docket No. 12-MDAP-068-RTS**

Request No.           MAPL 3.1  
Date submitted:       October 19, 2011  
Response due:         November 2, 2011

**MAPL REQUEST:**

- 3.1   *In addition to the information provided in response to MAPL data requests 2.2 and 2.3, please provide the following:*
- a. *Volumetric gross daily off take information, by product category and delivery location, of all hydrocarbons supplied as feedstock into the refinery by any method other than MAPL's Inbound pipeline, beginning January 1, 2009 through September 2011.*
  - b. *Volumetric gross daily off take information, by product category and delivery location, of all refined products produced and transported out of the refinery by any method other than MAPL's Outbound pipeline, beginning on January 1, 2009 through September 2011.*

**CRRM RESPONSE:**

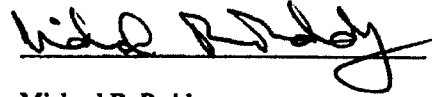
- (a) CRRM objects to the use of the term "hydrocarbons" as overly broad. For a listing of materials delivered to the refinery that are relevant to this docket please see attached spreadsheet entitled "Staff DR 107 – MAPCO – Refinery Receipts" originally provided in response to Staff DR No. 107. This schedule provides the daily average receipts of NGLs and blendstocks into the Coffeyville Refinery. The delivery location of all NGLs and blendstocks into the refinery is the Coffeyville Refinery located in Coffeyville, Kansas.
- (b) Please see attached spreadsheet entitled "CRRM Shipping From CV Refinery" originally produced in response to Staff Data Request No. 100. For delivery locations please see attached spreadsheet entitled "Staff DR 113 – Mapco Case – NuStar Sales" originally provided in response to Staff Data Request No. 113.



### VERIFICATION OF RESPONSE

I have read the foregoing Data Request(s) and Answers thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to MAPL any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request(s).

Signed:



Name: Michael R. Puddy

Position: Senior Vice President – Refined Products

Dated:

10/31/11

# **EXHIBIT P**

Mid-America Pipeline Company, LLC  
Inter/Intrastate Allocation

Docket No. 12-MDAP-068-RTS  
Exhibit No. LKB- 10.7

Outbound or Red Line

Line No.	Description	Total Barrels	Inter/Intrastate Allocation %
<u>Intrastate Shipments</u>			
1	Concordia, KS	79,625	
2	Salina, KS	99,397	
3	Hutchinson, KS	1,090	
4	Phillipsburg, KS	144,396	
5	BULK	1,159,229	
6	Magellan Transfers	149,168	
7	Total Intrastate Shipments	1,632,905	84.38%
<u>Interstate Shipments</u>			
8	Norfolk, NE	52,435	
9	Columbus, NE	11,147	
10	North Platte, NE	62,156	
11	Geneva, NE	37,800	
12	Osceola, NE	-	
13	Mitchell, SD	49,343	
14	Sioux Falls, SD	15,612	
15	Yankton, SD	13,669	
16	Wolsey, SD	25,854	
17	Aberdeen, SD	33,770	
18	Le Mars, IA	537	
19	Total Interstate Shipments	302,323	15.62%
20	Total Intra and Interstate Shipments	1,935,228	

Source: CRRM's Response to KCC Data Request No. 139

EXHIBIT E

# **EXHIBIT Q**

-----Original Message-----

From: Barr, Buford [<mailto:BBarr@eprod.com>]

Sent: Wednesday, December 21, 2011 1:17 PM

To: Puddy, Michael R.; Senecaut, Richard A.

Subject: Notice of Default Letter to Coffeyville

Mike and Rick,

The following letter is being sent to CVR via overnight mail.

H. Buford Barr

Commercial Development Director

Enterprise/Mid America Pipeline

office phone: 713-381-8354

cell phone: 713-824-6496

office fax: 713-381-8290

Please note that my email address has changed to [bbarr@eprod.com](mailto:bbarr@eprod.com).



Enterprise  
Products

ENTERPRISE PRODUCTS PARTNERS L.P.  
ENTERPRISE PRODUCTS HOLDINGS LLC  
(General Partner)

ENTERPRISE PRODUCTS OPERATING LLC

December 21, 2011

Coffeyville Resources LLC  
10 E Cambridge Circle Dr.  
Ste 250  
Kansas City, KS 66103-1393  
ATTN: Accounts Payable

**RE: Invoice Payment Terms for Transportation Charges**

An internal review has revealed overdue unpaid invoice(s) on your account for charges attributable to transporting products on Mid-America Pipeline. As stated in the invoice terms, these charges are due Net 10 Days and it is our expectation that all invoices will be paid within this time frame.

Enclosed is a summary reflecting the past due invoice(s). The invoice(s) and all necessary supporting information is available by accessing CIS at <https://cis.eprod.com>. The appropriate remittance address can be found on each invoice.

With respect to Invoice No. 75102359, the amount due is for interstate transportation on MAPL's Coffeyville to El Dorado refined petroleum products line during the months of October and November 2011. MAPL calculated the amount of volumes moving in interstate commerce in those months, by applying the same ratio of interstate to intrastate volumes that moved during January through September of 2011 (90.69% interstate, 9.31% intrastate). To the extent, you believe this interstate/intrastate ratio to be incorrect, please let us know as soon as possible and please provide all documentation necessary to show the ultimate destination of the barrels in question.

This letter is to give you final notice and demand for payment of these invoice(s). You are notified that if full payment is not received by noon Houston time on January 3, 2012, the carrier intends to enforce its rights under its applicable tariff which include, without limitation, payment of carrier charges before delivery.

We value your business and look forward to a continuing relationship with you. However, it is our expectation that your invoices will be paid in accordance with the terms stated on the invoice(s).

Sincerely,

H. Buford Barr  
Director, Commercial Development  
Phone: 713.381.8354  
Enclosure

**Mid-America Pipeline Company LLC**

Misc. Transportation Invoice

Coffeyville Resources LLC  
10 E Cambridge Circle Dr  
Ste 250  
KANSAS CITY, KS 66103-1393  
ATTN: Accounts Payable

**Net Amount Due: \$749,912.52****Payment Terms: Net 10 Days From Invoice Date****Remit ACH To:**

Mid-America Pipeline Company LLC  
JP Morgan Chase  
ABA 111000614 Account 637767575  
Dallas, TX

**Remit Check To:**

Mid-America Pipeline Company LLC  
P. O. Box 972990  
Dallas, TX 75397-2990

**Remit Wire Transfer To:**

Mid-America Pipeline Company LLC  
JP Morgan Chase  
ABA 021000021 Account 637767575  
New York, NY

**Invoice Description:**

To bill for FERC moves from Coffeyville Refinery to El Dorado Nustar for Oct. and Nov. 2011.

Date 12/05/2011			Invoice No. 75102359											
Nomination	Trans Type	Ticket No.	Origin	Destination	Product	Prod Comp	Corr. Ind.	Flow Date	Process Date	Company	Volume	Rate Desc.	Rate	Amount
	TD		Coffeyville	Eld Nustar FERC	#2 LS Fuel	PROD		10/31/2011	12/05/2011	MAPL LLC	67,509 BBL	CONT	3.411500	\$230,306.95
	TD		Coffeyville	Eld Nustar FERC	#2 LS Fuel	PROD		11/30/2011	12/05/2011	MAPL LLC	152,310 BBL	CONT	3.411500	\$519,605.57

**SubTotal:****219,819****\$749,912.52**

Invoice to be paid in U.S. Dollars.

**NET AMOUNT DUE:****\$749,912.52**

# **EXHIBIT R**



-----Original Message-----

From: Puddy, Michael R. [<mailto:mrpuddy@CVREnergy.com>]

Sent: Wednesday, December 21, 2011 1:33 PM

To: Barr, Buford; Senecaut, Richard A.

Subject: RE: Notice of Default Letter to Coffeyville

Buford,

I am not sure where the interstate versus intrastate numbers were derived from but they almost look backwards from a historical standpoint. (ie. closer to 90% of our sales are intra) Please provide

1

backup for your invoice. Does this also mean that the intrastate invoice which has already been paid should have been prorated? Also we will pull our actual sales in NuStar interstate locations ,and compare against what we purchased to deliver to those terminals, versus what was shipped. Thanks for the advance notice on the letter.

Mike

# **EXHIBIT S**

**From:** Barr, Buford [<mailto:BBarr@eprod.com>]  
**Sent:** Wednesday, December 21, 2011 4:16 PM  
**To:** Puddy, Michael R.  
**Cc:** Senecaut, Richard A.  
**Subject:** FW: Notice of Default Letter to Coffeyville

Mike,

Thanks for the response.

The breakdown between inter and intrastate movements was based on our understanding of CVR historical movements. With that in mind, if your actual movements for the timeframes indicated in the noted invoices had a different inter versus intrastate breakdown, please provide your backup supporting your split.

Regarding your question about prorating the intrastate invoice, the interim transportation rate set by the KCC for the Outbound Line is \$66,666 which will be incorporated into the aggregate true up after the final rates are established whether by the KCC or settlement. As there is no per barrel interim rate set by the KCC for the Outbound Line, there is no mechanism for prorating the intrastate charge on a volumetric basis. Those invoices, however, will be part of the true up at the end of the KCC defined interim period.

Please feel free to contact me if you have any questions.

Thanks,

H. Buford Barr  
Commercial Development Director  
Enterprise/Mid America Pipeline  
office phone: 713-381-8354  
cell phone: 713-824-6496  
office fax: 713-381-8290  
Please note that my email address has changed to [bbarr@eprod.com](mailto:bbarr@eprod.com).

# **EXHIBIT T**

---

**From:** Barr, Buford [<mailto:BBarr@eprod.com>]  
**Sent:** Thursday, December 22, 2011 7:48 AM  
**To:** Puddy, Michael R.  
**Cc:** Jernigan, Wyatt E.; Condrón, Robert L.; Senecaut, Richard A.; Panos, Linda A.  
**Subject:** RE: NuStar Sales

Mike,

Thanks for the summary.

When you provide the update including the October and November movements, can you also provide the backup from Nustar for the October and November movements?

Thanks,

H. Buford Barr  
Commercial Development Director  
Enterprise/Mid America Pipeline  
office phone: 713-381-8354  
cell phone: 713-824-6496  
office fax: 713-381-8290

*Please note that my email address has changed to [bbarr@eprod.com](mailto:bbarr@eprod.com).*

---

**From:** Puddy, Michael R. [<mailto:mrpuddy@CVREnergy.com>]  
**Sent:** Wednesday, December 21, 2011 6:41 PM  
**To:** Barr, Buford  
**Cc:** Jernigan, Wyatt E.; Condrón, Robert L.; Senecaut, Richard A.; Panos, Linda A.  
**Subject:** NuStar Sales

Buford,

I believe this is a duplicate of the NuStar sales data that has been provided as part of the MAPL rate case filings. We are updating to include October and November data.

Mike

---

# **EXHIBIT U**

LAW OFFICES  
**SMITHYMAN & ZAKOURA**  
CHARTERED  
750 COMMERCE PLAZA II  
7400 WEST 110TH STREET  
OVERLAND PARK, KANSAS 66210-2362  
(913) 661-9800

LEE M. SMITHYMAN  
JAMES P. ZAKOURA  
ARTHUR E. RHODES  
CONSTANCE L. SHIDLER

www.smizak-law.com  
PRACTICE IN KANSAS AND MISSOURI

VERONICA L. DERSCH  
CARSON M. HINDERKS

December 29, 2011

H. Buford Barr  
Director, Commercial Development  
Enterprise Products Partners, L.P.  
1100 Louisiana Street  
Houston, Texas 77002-5227

RE: Invoices of Mid-America Pipeline Company (MAPL) to Coffeyville Resources Refining & Marketing, LLC (CRRM) for calendar months October 2011 and November 2011

Mr. Barr:

I am in receipt of Invoices forwarded by MAPL to CRRM. These invoices include costs for transportation on the MAPL Outbound Pipeline, from Coffeyville, Kansas to El Dorado, that are incorrect in amount and designation. In that regard, please note the following:

In October 2011, CRRM transported 74,439 barrels on the MAPL Outbound Pipeline, and it was the intent of CRRM to deliver 54,810 barrels to Kansas terminals on the NuStar pipeline system. In October 2011, 54,769 barrels transported on the MAPL Outbound Pipeline were delivered at NuStar Kansas destinations on behalf of, and at the direction of CRRM. Thus, of October 2011 volumes transported on the MAPL Outbound Pipeline, 19,629 barrels were delivered at non-Kansas terminals on the NuStar pipeline system on behalf of, and at the direction of CRRM.

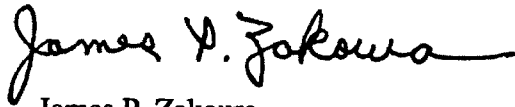
In November 2011, CRRM transported 167,947 barrels on the MAPL Outbound Pipeline, and it was the intent of CRRM to deliver 81,945 barrels to Kansas terminals on the NuStar pipeline system. In November 2011, 81,945 barrels transported on the MAPL Outbound Pipeline were delivered at NuStar Kansas destinations on behalf of, and at the direction of CRRM. Thus, of November 2011 volumes transported on the MAPL Outbound Pipeline, 86,002 barrels were delivered at non-Kansas terminals on the NuStar pipeline system.

Upon presentation of an amended invoice from MAPL that correctly sets forth amounts due and owing by CRRM for October 2011 and November 2011 for deliveries to non-Kansas NuStar pipeline destinations, as set forth above, CRRM will promptly remit payment in accordance with

Page 2

such requested and corrected MAPL invoice.

Very truly yours,

A handwritten signature in black ink, reading "James P. Zakoura". The signature is fluid and cursive, with a long horizontal stroke at the end.

James P. Zakoura

**SMITHYMAN & ZAKOURA, CHARTERED**

750 Commerce Plaza II Building

7400 West 110<sup>th</sup> St

Overland Park, KS 66210-2362

Telephone: (913) 661-9800

Facsimile: (913) 661-9863

Email: [jim@smizak-law.com](mailto:jim@smizak-law.com)

Attorneys for Coffeyville Resources Refining & Marketing, LLC.



## **EXHIBIT V**

LAW OFFICES  
**SMITHYMAN & ZAKOURA**  
CHARTERED  
750 COMMERCE PLAZA II  
7400 WEST 110TH STREET  
OVERLAND PARK, KANSAS 66210-2362  
(913) 661-9800

LEE M. SMITHYMAN  
JAMES P. ZAKOURA  
ARTHUR E. RHODES  
CONSTANCE L. SHIDLER

www.smizak-law.com  
PRACTICE IN KANSAS AND MISSOURI

VERONICA L. DERSCH  
CARSON M. HINDERKS

December 30, 2011

Raymond Albright  
Patricia A. Totten  
Mid-America Pipeline Company, LLC  
Enterprise Products – Commercial Operations  
1100 Louisiana, Suite 1400  
Houston, TX 77002

Glenda Cafer  
Terri Pemberton  
Cafer Law Office, L.L.C.  
3321 SW 6<sup>th</sup> Street  
Topeka, KS 66606

Daniel J. Poynor  
Steptoe & Johnson, LLP  
1330 Connecticut Avenue, NW  
Washington, DC 20036-1795

Re: Coffeyville Resources Refining & Marketing, LLC ("CRRM") - -  
Mid-America Pipeline Company, LLC ("MAPL")  
KCC Docket No. 12-MDAP-068-RTS  
FERC Docket No. IS11-604-000

As you are aware, MAPL through its representative H. Buford Barr, has taken the position that 90.69% of the petroleum products transported on MAPL's Outbound Pipeline from Coffeyville, Kansas to El Dorado, Kansas, in the months of October and November, 2011, were delivered in interstate commerce, at NuStar pipeline terminals outside of the State of Kansas. (Exhibit A) Mr. Barr indicated that MAPL calculated that the historical ratio of deliveries from the Outbound Pipeline was 90.69% to interstate, non-Kansas Terminals.

Each of you has direct knowledge that Mr. Barr's statement as to historical levels of interstate deliveries is patently incorrect - - in fact it is completely untrue. The record (as shown by the documents listed below) in the KCC Docket is diametrically opposite to MAPL's contention on this interstate issue:

Page 2

1. CRRM Response to KCC Staff Data Request No. 139 dated 10/31/11. (Exhibit B)
2. CRRM Response to MAPL Data Request 3.1, dated 10/31/11. (Exhibit C)
3. CRRM Response to MAPL Data Request 5.2. (Exhibit D)
4. Exhibit LKB – 10.7 (KCC Witness – Laura K. Bowman) dated 12/07/11. (Exhibit E)
5. Cross Answering Testimony of James R. Dittmer, p. 4, 12/21/11. (Exhibit F)

In addition, the Certified Statement of Michael R. Puddy, Senior Vice President of CRRM, dated December 30, 2011, is attached hereto as Exhibit G.

Based on MAPL's patently incorrect statement and invoice miscalculation - - which each of you know to be untrue and absolutely incorrect from the record in the KCC Docket - - MAPL invoiced CRRM an amount that greatly exceeded the amount that could be charged under the Order of the KCC.

Kansas counsel for MAPL has permitted without objection, its client (MAPL) to invoice CRRM for Kansas intrastate deliveries at a \$3.41 per barrel FERC rate, that is many, multiple times higher than the KCC rate ordered by the KCC on September 30, 2011. In fact, the KCC explicitly refused to permit MAPL to charge \$3.41 per barrel during the pendency of the KCC Docket.

To further advance MAPL's unlawful and factually unsupportable position, Mr. Daniel Poynor, MAPL's FERC counsel, in his letter of this afternoon has threatened CRRM with various FERC Tariff penalties for purported non-compliance with MAPL's FERC tariff. These penal provisions are threatened if CRRM does not meet MAPL's newly stated "requirements" (which are not included in MAPL's FERC Tariff) to prove "Kansas" deliveries.

As MAPL and each of you are very aware, this MAPL "interstate calculation," is completely erroneous and unsupported. In the pending KCC Docket, CRRM has provided historical data for calendar years 2008, 2009, 2010, and 2011, which indicates that 85% - 90% of petroleum products transported on the MAPL Outbound Pipeline, were delivered to Kansas terminals on the NuStar Pipeline System.

Further, by letter dated December 29, 2011, counsel for CRRM (the undersigned) directly and specifically advised MAPL of the actual Kansas deliveries in October and November of 2011, that originate on the MAPL Outbound Pipeline for further delivery on NuStar to Kansas Terminals, (Exhibit H).

CRRM requested earlier this week that MAPL provide in a sworn response, the MAPL basis for invoicing 90.69% of shipments in October and November 2011, as "interstate." MAPL has provided no response. CRRM demands that MAPL immediately provide the basis to support its

Page 3

October and November 2011 Invoices to CRRM, that include therein a demand for \$3.41 per barrel for 90.69% of those volumes shipped by CRRM on MAPL's Outbound Pipeline.

This afternoon, Mr. Poynor again rejected both historical delivery considerations, as well as the precise October and November volume delivery information that I provided in my letter of yesterday. Mr. Poynor's letter demands yet additional information with regard to volume delivery destinations for October and November 2011, and characterizes such yet additional unreasonable and non-lawful demands, as a request for "proper documentation," even though such requests are not authorized in MAPL's FERC Tariff. (Exhibit I)

Irrespective of the continuing non-lawful, unreasonable, and inappropriate continuing demands for "proper documentation" by MAPL, Mr. Poynor advised that "the invoice is past due [which is based upon 90.69% deliveries to non-Kansas destinations] and MAPL's December 21, 2011 Notice of Default letter remains in effect." Mr. Poynor further advised that "as MAPL indicated in the December 21, 2011 letter, if full payment is not received by noon Houston time on January 3, 2012, MAPL intends to enforce its rights under its applicable tariff, which include, without limitation, requiring payment of carrier charges before delivery."

Each of you - - Ms. Totten, Mr. Albright, Mr. Poynor, Ms. Cafer, and Ms. Pemberton - - are fully aware that the existing MAPL Invoice for October and November 2011 is factually erroneous and cannot lawfully or ethically be relied upon to enforce those contended rights of MAPL, that payment to MAPL for transportation on the Outbound Pipeline is in default and due and payable pursuant to the Invoice.

Effectively, MAPL and its counsel, including each of you, have utilized a FERC tariff and invoicing in a way that is clearly unlawful and inappropriate, for the apparent purpose of extracting unlawful revenues from CRRM, and likely for the further additional purpose of advancing your position through economic pressure in the pending KCC and FERC Dockets. Each of you are threatening CRRM with economic harm, on the basis of purported assertions that each of you know are false and factually incorrect.

Your actions and the actions of MAPL, if continued, will cause direct and substantial damage to CRRM. The Magellan Pipeline System is currently operating at or near full capacity, and will not accept greater volumes from CRRM. Indeed, CRRM needs and is required to use the full capacity of the MAPL Outbound Pipeline to enable it to evacuate the refinery of its daily production of petroleum products.

Page 4

These actions of MAPL and its counsel - - specifically including the MAPL requirement that CRRM pay a FERC Tariff of \$3.41 for Kansas intrastate shipments - - will be brought to the attention of, among others, the full Kansas Corporation Commission immediately. CRRM will seek all available legal redress for violation of the KCC Order of September 30, 2011 and Kansas Intrastate Tariffs of MAPL.

Very truly yours,

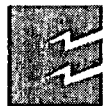
A handwritten signature in black ink, appearing to read "James P. Zakoura", with a long horizontal flourish extending to the right.

James P. Zakoura

For

SMITHYMAN & ZAKOURA, CHARTERED

JPZ/dmw  
Encls.



Enterprise  
Products

ENTERPRISE PRODUCTS PARTNERS L.P.  
ENTERPRISE PRODUCTS HOLDINGS LLC  
(General Partner)

ENTERPRISE PRODUCTS OPERATING LLC

December 21, 2011

Coffeyville Resources LLC  
10 E Cambridge Circle Dr.  
Ste 250  
Kansas City, KS 66103-1393  
ATTN: Accounts Payable

**RE: Invoice Payment Terms for Transportation Charges**

An internal review has revealed overdue unpaid invoice(s) on your account for charges attributable to transporting products on Mid-America Pipeline. As stated in the invoice terms, these charges are due Net 10 Days and it is our expectation that all invoices will be paid within this time frame.

Enclosed is a summary reflecting the past due invoice(s). The invoice(s) and all necessary supporting information is available by accessing CIS at <https://cis.eprod.com>. The appropriate remittance address can be found on each invoice.

With respect to Invoice No. 75102359, the amount due is for interstate transportation on MAPL's Coffeyville to El Dorado refined petroleum products line during the months of October and November 2011. MAPL calculated the amount of volumes moving in interstate commerce in those months, by applying the same ratio of interstate to intrastate volumes that moved during January through September of 2011 (90.69% interstate, 9.31% intrastate). To the extent, you believe this interstate/intrastate ratio to be incorrect, please let us know as soon as possible and please provide all documentation necessary to show the ultimate destination of the barrels in question.

This letter is to give you final notice and demand for payment of these invoice(s). You are notified that if full payment is not received by noon Houston time on January 3, 2012, the carrier intends to enforce its rights under its applicable tariff which include, without limitation, payment of carrier charges before delivery.

We value your business and look forward to a continuing relationship with you. However, it is our expectation that your invoices will be paid in accordance with the terms stated on the invoice(s).

Sincerely,

H. Buford Barr  
Director, Commercial Development  
Phone: 713.381.8354  
Enclosure

P.O. Box 4324  
Houston, Texas 77210-4324  
713.381.8500

1100 Louisiana Street  
Houston, Texas 77002-5227  
[www.eppp.com](http://www.eppp.com)

**EXHIBIT A**

**Mid-America Pipeline Company LLC**  
**Misc. Transportation Invoice**

Coffeyville Resources LLC  
 10 E Cambridge Circle Dr  
 Ste 250  
 KANSAS CITY, KS 66103-1393  
 ATTN: Accounts Payable

**Net Amount Due: \$749,912.52**

**Payment Terms: Net 10 Days From Invoice Date**

**Remit ACH To:**  
 Mid-America Pipeline Company LLC  
 JP Morgan Chase  
 ABA 111000614 Account 637767575  
 Dallas, TX

**Remit Check To:**  
 Mid-America Pipeline Company LLC  
 P. O. Box 972990  
 Dallas, TX 75397-2990

**Remit Wire Transfer To:**  
 Mid-America Pipeline Company LLC  
 JP Morgan Chase  
 ABA 021000021 Account 637767575  
 New York, NY

**Invoice Description:**  
 To bill for FERC moves from Coffeyville Refinery to El Dorado Nustar for Oct. and Nov. 2011.

Date 12/05/2011			Invoice No. 75162359											
Month	Trans Type	Ticket No.	Origin	Destination	Product	Prod Comp	Corr. Incl.	Flow Date	Process Date	Company	Volume	Rate Desc.	Rate	Amount
	TD		Coffeyville	El Dorado FERC	#2 LS Fuel	PROD		10/31/2011	12/05/2011	MAPL LLC	87,509 BBL	CONT	3.411500	\$230,306.95
	TD		Coffeyville	El Dorado FERC	#2 LS Fuel	PROD		11/30/2011	12/05/2011	MAPL LLC	162,310 BBL	CONT	3.411500	\$519,605.57

**SubTotal: 219,919 \$749,912.52**

Invoice to be paid in U.S. Dollars.

**NET AMOUNT DUE: \$749,912.52**

**Kansas Corporation Commission  
Information Request**

Request No: 139

Company Name Coffeyville Resources Refining & Marketing, LLC  
Docket Number 12-MDAP-068-RTS  
Request Date October 25, 2011  
Date Information Needed November 2, 2011

RE: Volumes – Outbound Line

**Please Provide the Following:**

For the outbound line please provide the following:

1. For each product shipped on the outbound line please provide a detailed listing showing the type of product shipped, the corresponding shipper, and the applicable volumes that were transported from January 1, 2009 to September 30, 2011.

Please provide this information on a monthly basis in excel format.

2. For each product listed in No. 1 above, please indicate whether the volumes shipped were on an interstate basis or intrastate basis.

3. For the total volumes shipped, please provide the percent of costs, expenses and/or revenues that are allocated to interstate operations and intrastate operations. Please provide all supporting work papers detailing how the allocation percentage was derived.

4. On a monthly basis, please provide the estimated volumes Coffeyville intends to transport in the future.

a. Please provide this information for November 1, 2011 to December 3, 2013.

b. Please break the estimated volumes out between the interstate volume shipments and intrastate volume shipments.

Submitted By Laura Bowman

Submitted To James Zakoura

**CRRM RESPONSE:**

1. Please see attached Spreadsheet entitled "CRRM Shipping From CVR Refinery" originally produced in response to Staff Data Request No. 100. CRRM is the only shipper on the Outbound Line.

2. Please see attached Spreadsheet entitled "Staff DR 113 – MAPCO Case – Nustar Sales" originally produced in response to Staff Data Request No. 113.



3. No such allocation is made.

4.

- a. No such definitive estimate is made. However, Senior Vice President of Refined Products, Michael R. Puddy, states at p. 3 of his Direct Testimony that CRRM intends and expects to operate the refinery at its full capacity of 115,000 barrels per day during the requested period. Mr. Puddy also estimates that CRRM shipments on the Outbound Line for annual periods subsequent to calendar year 2010 will be substantially similar to the volumes shipped in 2010. CRRM estimates shipments of refined petroleum products on the Outbound Line to be approximately 10,000 barrels per day and 3,488,305 barrels per year. (Puddy Test. at 4-5). However, this estimate is dependent upon normal economic and operational conditions faced by all petroleum refiners.
- b. Determinations regarding shipping and marketing destinations of CRRM refined products are undertaken on virtually a daily basis depending upon economic and operating conditions at various terminal locations. As a result, CRRM does not conduct the long-term planning of interstate and intrastate sales destinations as referenced by KCC Staff in its Request. The attached Spreadsheet entitled "Staff DR 113 - Mapco Case - Nustar Sales" does provide historical interstate and intrastate shipping volumes on an annual basis for the years 2008 through 2010.

#### Verification of Response

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: Michael Puddy

Date: 10/31/11

### Sales at NuStar Pipeline Terminals in 2011 YTD through September

	Gallons	Total Barrels	Barrels by State	% of total
Concordia, Kansas	3,344,426	79,629		
Salina, Kansas	4,174,679	99,397		
Hutchinson, Kansas	45,793	1,090		
Phillipsburg, Kansas	6,064,633	144,396		
BULK	48,687,618	1,159,229		Note 1
Magellan Transfers	6,265,056	149,168		
			1,632,910	84.38%
Norfolk, Nebraska	2,202,280	52,435		
Columbus, Nebraska	468,161	11,147		
North Platte, Nebraska	2,610,535	62,156		
Geneva, Nebraska	1,587,620	37,800		
Osceola, Nebraska	0	0		
			163,538	8.45%
Mitchell, South Dakota	2,072,392	49,343		
Sioux Falls, SD	655,703	15,612		
Yankton, SD	574,090	13,669		
Wolsey, SD	1,085,860	25,854		
Aberdeen, SD	1,418,341	33,770		
			138,247	7.14%
LeMars, Iowa	22,565	<u>537</u>		
			<u>537</u>	<u>0.03%</u>
Total for 2011	81,279,752	1,935,232	1,935,232	100.00%

### Sales at NuStar Pipeline Terminals in 2010

	Gallons	Total Barrels	Barrels by State	% of total
Concordia, Kansas	3,284,997	78,214		
Salina, Kansas	7,300,742	173,827		
Hutchinson, Kansas	46,664	1,111		
Phillipsburg, Kansas	19,620,969	467,166		
BULK	76,219,441	1,814,749		Note 1
Magellan Transfers	20,697,432	492,796		
			3,027,863	85.91%
Norfolk, Nebraska	4,364,004	103,905		
Columbus, Nebraska	865,643	20,611		
North Platte, Nebraska	8,105,866	192,997		
Geneva, Nebraska	5,830,839	138,830		
Osceola, Nebraska	35,699	850		
			457,192	12.97%
Mitchell, South Dakota	580,967	13,833		
Sioux Falls, SD	368,698	8,779		
Yankton, SD	183,521	4,370		
Wolsey, SD	193,820	4,615		

Aberdeen, SD	303,165	7,218	38,814	1.10%
LeMars, Iowa	<u>22,551</u>	<u>537</u>	<u>537</u>	<u>0.02%</u>
Total for 2010	148,025,018	3,524,405	3,524,405	100.00%

#### Sales at NuStar Pipeline Terminals in 2009

	Gallons	Total Barrels	Barrels by State	% of total
Concordia, Kansas	833013	19,834		
Salina, Kansas	1831828	43,615		
Hutchinson, Kansas	0	0		
Phillipsburg, Kansas	20,364,570	484,871		
BULK	97,192,946	2,314,118		Note 1
Magellan Transfers	15,409,758	366,899		
			3,229,336	96.49%
Norfolk, Nebraska	0	0		
Columbus, Nebraska	38,853	925		
North Platte, Nebraska	2,642,856	62,925		
Geneva, Nebraska	2,254,493	53,678		
Osceola, Nebraska	0	0		
			117,529	3.51%
Mitchell, South Dakota	0	0		
Sioux Falls, SD	0	0		
Yankton, SD	0	0		
Wolsey, SD	0	0		
Aberdeen, SD	0	0		
			0	0.00%
LeMars, Iowa	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total for 2009	140,568,317	3,346,865	3,346,865	100.00%

#### Sales at NuStar Pipeline Terminals in 2008

	Gallons	Total Barrels	Barrels by State	% of total
Concordia, Kansas	0	0		
Salina, Kansas	0	0		
Hutchinson, Kansas	0	0		
Phillipsburg, Kansas	30,346,987	722,547		
BULK	64,445,179	1,534,409		Note 1
Magellan Transfers	9,818,676	233,778		
			2,490,734	100.00%
Norfolk, Nebraska	0	0		
Columbus, Nebraska	0	0		

North Platte, Nebraska	0	0		
Geneva, Nebraska	0	0		
Osceola, Nebraska	0	0	0	0.00%
Mitchell, South Dakota	0	0		
Sioux Falls, SD	0	0		
Yankton, SD	0	0		
Wolsey, SD	0	0		
Aberdeen, SD	0	0		
LeMars, Iowa	<u>0</u>	<u>0</u>	0	0.00%
			<u>0</u>	<u>0.00%</u>
Total for 2008	104,610,842	2,490,734	2,490,734	100.00%

Note 1 Bulk represents bbls sold to third parties as pipeline batches versus delivery by truck at the terminal level. These transfers are made at either ElDorado, Kansas on shipments or Concordia, Kansas if by PTO's.

**RESPONSE OF CRRM TO THIRD SET OF  
MAPL DATA REQUESTS  
Docket No. 12-MDAP-068-RTS**

Request No.            MAPL 3.1  
Date submitted:        October 19, 2011  
Response due:          November 2, 2011

**MAPL REQUEST:**

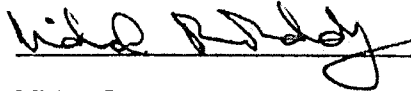
- 3.1    *In addition to the information provided in response to MAPL data requests 2.2 and 2.3, please provide the following:*
- a. *Volumetric gross daily off take information, by product category and delivery location, of all hydrocarbons supplied as feedstock into the refinery by any method other than MAPL's Inbound pipeline, beginning January 1, 2009 through September 2011.*
  - b. *Volumetric gross daily off take information, by product category and delivery location, of all refined products produced and transported out of the refinery by any method other than MAPL's Outbound pipeline, beginning on January 1, 2009 through September 2011.*

**CRRM RESPONSE:**

- (a) CRRM objects to the use of the term "hydrocarbons" as overly broad. For a listing of materials delivered to the refinery that are relevant to this docket please see attached spreadsheet entitled "Staff DR 107 – MAPCO – Refinery Receipts" originally provided in response to Staff DR No. 107. This schedule provides the daily average receipts of NGLs and blendstocks into the Coffeyville Refinery. The delivery location of all NGLs and blendstocks into the refinery is the Coffeyville Refinery located in Coffeyville, Kansas.
- (b) Please see attached spreadsheet entitled "CRRM Shipping From CV Refinery" originally produced in response to Staff Data Request No. 100. For delivery locations please see attached spreadsheet entitled "Staff DR 113 – Mapco Case – NuStar Sales" originally provided in response to Staff Data Request No. 113.

### VERIFICATION OF RESPONSE

I have read the foregoing Data Request(s) and Answers thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to MAPL any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request(s).

Signed: 

Name: Michael R. Puddy

Position: Senior Vice President – Refined Products

Dated: 10/31/11

**Response of Coffeyville Resources Refining & Marketing LLC  
to the Fifth Set of MAPL Data Requests  
Docket No. 12-MDAP-068-RTS**

Request No.: MAPL 5.2  
Request Date: November 30, 2011  
Response Date: December 14, 2011

**Request:**

Please update response to Staff No. 113 to include October, November, and when available December shipments.

**Response:**

Please see attached. CRRM notes that the refinery at Coffeyville underwent a planned refinery turnaround procedure in October of 2011, during which production and output were severely reduced or completely ceased.

In October and November 2011, due to substantial increased demand at certain NuStar terminals in Nebraska and South Dakota, CRRM purchased from other suppliers in the NuStar system.

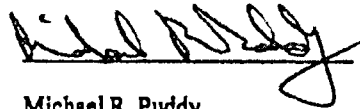
In October 2011, CRRM transported 74,439 barrels on the MAPL Outbound Pipeline, and it was the intent of CRRM to deliver 54,810 barrels to Kansas terminals on the NuStar pipeline system. In October 2011, 54,810 barrels transported on the MAPL Outbound Pipeline were delivered at NuStar Kansas destinations on behalf of, and at the direction of CRRM. Thus, of October 2011 volumes transported on the MAPL Outbound Pipeline, 19,629 barrels were delivered at non-Kansas terminals on the NuStar pipeline system on behalf of, and at the direction of CRRM.

In November 2011, CRRM transported 167,947 barrels on the MAPL Outbound Pipeline, and it was the intent of CRRM to deliver 81,945 barrels to Kansas terminals on the NuStar pipeline system. In November 2011, 81,945 barrels transported on the MAPL Outbound Pipeline were delivered at NuStar Kansas destinations on behalf of, and at the direction of CRRM. Thus, of November 2011 volumes transported on the MAPL Outbound Pipeline, 86,002 barrels were delivered at non-Kansas terminals on the NuStar pipeline system.

CRRM believes that the percentage changes in Kansas and non-Kansas deliveries to NuStar pipeline destinations in the 4<sup>th</sup> Quarter of 2011 are due to unusual and nonrecurring market demand patterns at certain locations in Nebraska and South Dakota. CRRM believes that the recurring demand patterns are as set forth for the total calendar years of 2008, 2009, and 2010.

### VERIFICATION OF RESPONSE

I HAVE READ THE FOREGOING Data Request(s) and Answer thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to MAPL any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request(s).

Signed: 

Name: Michael R. Puddy

Position: Senior Vice President – Refined Products

Dated: 12/29/11



**Sales at NuStar Pipeline Terminals in 2011 YTD through November**

	Total Barrels	Barrels by State	% of total
Concordia, Kansas	108,526		
Salina, Kansas	119,214		
Hutchinson, Kansas	8,410		
Phillipsburg, Kansas	144,396		
BULK	1,249,229		Note 1
Magellan Transfers	149,188		
		1,778,843	77.41%
Norfolk, Nebraska	68,708		
Columbus, Nebraska	33,191		
North Platte, Nebraska	107,816		
Geneva, Nebraska	74,767		
Osceola, Nebraska	4,855		
		289,137	12.60%
Mitchell, South Dakota	78,533		
Sioux Falls, SD	22,146		
Yankton, SD	43,813		
Wolsey, SD	38,098		
Aberdeen, SD	47,758		
		228,344	9.95%
LeMars, Iowa	<u>1,130</u>		
		<u>1,130</u>	<u>0.05%</u>
Total for 2011	2,295,554	2,295,554	100.00%

Note 1 Bulk represents bbls sold to third parties as pipeline batches versus delivery by truck at the terminal level. These transfers are made at either ElDorado, Kansas on shipments or Concordia, Kansas if by PTO's.

Mid-America Pipeline Company, LLC  
Inter/Intrastate Allocation

Docket No. 12-MDAP-068-RTS  
Exhibit No. LKB- 10.7

Outbound or Red Line

Line No.	Description	Total Barrels	Inter/Intrastate Allocation %
<u>Intrastate Shipments</u>			
1	Concordia, KS	79,625	
2	Salina, KS	99,397	
3	Hutchinson, KS	1,090	
4	Phillipsburg, KS	144,396	
5	BULK	1,159,229	
6	Magellan Transfers	149,168	
7	Total Intrastate Shipments	1,632,905	84.38%
<u>Interstate Shipments</u>			
8	Norfolk, NE	52,435	
9	Columbus, NE	11,147	
10	North Platte, NE	62,156	
11	Geneva, NE	37,800	
12	Osceola, NE	-	
13	Mitchell, SD	49,343	
14	Sioux Falls, SD	15,612	
15	Yankton, SD	13,669	
16	Wolsey, SD	25,854	
17	Aberdeen, SD	33,770	
18	Le Mars, IA	537	
19	Total Interstate Shipments	302,323	15.62%
20	Total Intra and Interstate Shipments	1,935,228	

Source: CRRM's Response to KCC Data Request No. 139

# **EXHIBIT W**

## James Zakoura

---

**From:** Poynor, Daniel [DPoynor@steptoe.com]  
**Sent:** Friday, December 30, 2011 1:39 PM  
**To:** James Zakoura  
**Cc:** Adducci, Steven A. (SAAdducci@Venable.com)  
**Subject:** MAPL Letter to CRRM re Invoice No. 75102359  
**Attachments:** DOC013.PDF

Attached please find a letter from MAPL to CRRM regarding the above invoice. If you have any questions, please feel free to give me a call.

Daniel

Daniel J. Poynor  
Steptoe & Johnson LLP  
1330 Connecticut Avenue, N.W.  
Washington, D.C. 20036  
(202) 429-6233 (Direct)  
(202) 429-3902 (Facsimile)  
[dpoynor@steptoe.com](mailto:dpoynor@steptoe.com)

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STEPTOE & JOHNSON<sup>LLP</sup>  
ATTORNEYS AT LAW

Daniel J. Poynor  
202.429.6233  
dpoynor@steptoe.com

1330 Connecticut Avenue, NW  
Washington, DC 20036-1795  
Tel 202.429.3000  
Fax 202.429.3902  
steptoe.com

December 30, 2011

James P. Zakoura  
Smithyman & Zakoura  
750 Commerce Plaza II  
7400 West 110<sup>th</sup> Street  
Overland Park, Kansas 66210-2362

Re: **Mid-America Pipeline Company, LLC (MAPL) Invoice No. 75102359 dated  
December 5, 2011 to Coffeyville Recourses Refining & Marketing, LLC (CRRM)**

Dear Mr. Zakoura:

MAPL forwarded me your December 29, 2011 letter to Buford Barr regarding the above-referenced invoice. Since your letter concerns whether certain volumes moved in interstate commerce, MAPL asked me to respond to you on this issue, since I represent the pipeline in the ongoing proceedings involving its interstate rates at the Federal Energy Regulatory Commission ("FERC").

It appears from your letter that the amount of volumes CRRM claims to have shipped in interstate commerce in October and November 2011 is different from the amount used by MAPL to calculate the invoice. As Mr. Barr requested in his December 21, 2011 letter and email to Michael Puddy (copies of which were attached to CRRM's Twelfth Set of Data Requests to MAPL in Kansas Corporation Commission Docket No. 12-MDAP-068-RTS), to the extent CRRM believes the interstate/intrastate ratio used by MAPL to calculate the invoice is incorrect, please provide MAPL with the documentation necessary to show the ultimate destination of the barrels in question.

Your letter indicates that "it was the intent of CRRM" to deliver certain barrels to Kansas terminals on the NuStar pipeline system and that those volumes were delivered at NuStar Kansas destinations. Your letter does not identify which Kansas destinations are referred to, and MAPL is unable to determine whether the Kansas destinations were the ultimate destination of the shipments or if the barrels moved beyond the Kansas destinations in interstate commerce.

Pursuant to the Interstate Commerce Act, shippers have an obligation to provide accurate information regarding the nature of their shipments in order to permit correct billing. *See* 49 U.S.C. § 10. As the FERC has stated in connection with the line at issue, "[w]hether an

James P. Zakoura  
December 30, 2011  
Page 2

STEPTOE & JOHNSON LLP

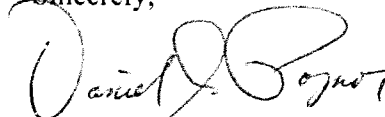
intrastate or interstate rate should be charged for a particular movement on the subject line depends on whether the movement ends in Kansas or is a through movement into interstate commerce." *Mid-America Pipeline Company*, 137 FERC ¶ 61,090 at P 11 (2011). Thus, it is the essential character of the transportation as evidenced by the ultimate destination of the movement, not solely CRRM's subjective "intent," that determines whether a shipment is interstate or intrastate commerce. See, e.g., *Baltimore & Ohio SW Ry. v. Settle*, 260 U.S. 166 (1922); *Farmers Union Coop. Mktg. Ass'n v. State Corp. Comm'n of Kansas*, 302 F. Supp. 778 (D. Kan, 1969).

MAPL therefore requests that CRRM identify the ultimate destination of the volumes moved by CRRM in October and November 2011, broken down by destination. In addition, please provide copies of invoices from any connecting carrier or consignee showing the ultimate destination for each movement.

MAPL has asked me to inform you that at such time as it receives the proper documentation, it will amend the referenced invoice. Until that time, the invoice is past due and MAPL's December 21, 2011 notice of default letter remains in effect. Thus, as MAPL indicated in the December 21, 2011 letter, if full payment is not received by noon Houston time on January 3, 2012, MAPL intends to enforce its rights under its applicable tariff, which include, without limitation, requiring payment of carrier charges before delivery.

If you have any questions, please feel free to give me a call.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel J. Poynor". The signature is fluid and cursive, with the first name "Daniel" and last name "Poynor" clearly distinguishable.

Daniel J. Poynor  
Counsel for Mid-America  
Pipeline Company, LLC

# **EXHIBIT X**

**Certified Statement**

I, Michael R. Puddy, on this 30<sup>th</sup> day of December, 2011, make the following Certified Statement. This Certified Statement will be further sworn to before a Notary Public, when such Notary Public is available after the holiday, on January 3, 2012.

1. In October 2011, Coffeyville Resources Refining & Marketing, LLC ("CRRM") transported 74,439 barrels of petroleum products on the "Outbound Pipeline" of Mid-America Pipeline Company, LLC ("MAPL") that transports petroleum products from Coffeyville, Kansas to El Dorado, Kansas. Of this amount of 74,439 barrels, the amount of 54,810 barrels were delivered by NuStar Pipeline ("NuStar") to the following NuStar-Kansas Terminals:

Concordia, Kansas	-	17,231 barrels
Salina, Kansas	-	12,538 barrels
Hutchinson, Kansas	-	41 barrels
El Dorado, Kansas	-	25,000 barrels

The remaining 19,629 barrels in October 2011, were delivered by NuStar to non-Kansas Terminals.


2. In November 2011, CRRM transported 167,947 barrels of petroleum products on the Outbound Pipeline of MAPL. Of this amount of 167,947 barrels, the amount of 81,945 barrels were delivered by NuStar to the following NuStar Kansas Terminals:

Concordia, Kansas	-	9,666 barrels
Salina, Kansas	-	7,279 barrels
El Dorado, Kansas	-	65,000 barrels

The remaining 86,002 barrels in November 2011 were delivered by NuStar to non-Kansas Terminals.

3. It is the policy of CRRM to first serve Kansas demand at NuStar Kansas Terminals from those volumes transported on the MAPL Outbound Pipeline. Any volume that may be available after serving NuStar Kansas Terminals, would thereafter be delivered at non-Kansas Terminals.

I certify that the statements above are true and correct, to the best of my knowledge, information, and belief.



Michael R. Puddy  
Senior Vice President-Refined Products  
Coffeyville Resources Refining & Marketing, LLC



**DRAFT ORDER**

THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of the Complaint of Coffeyville                     )  
Resources Refining & Marketing, LLC against                     )     Docket No. \_\_\_\_\_  
Mid-America Pipeline Company, LLC.                                 )

**ORDER**

1.     Coffeyville Resources Refining & Marketing, LLC ("CRRM") filed a Verified Complaint in the above-entitled matter on January 3, 2012.

2.     In its Verified Complaint, CRRM attached the Certified Statement (attached as Exhibit X) that the following volumes were delivered to Kansas and Non Kansas destinations from the Outbound Pipeline of Mid-America Pipeline Company, LLC ("MAPL") in the months of October and November, 2011:

October 2011

Deliveries in Kansas	-	54,810 Barrels
Deliveries Outside of Kansas	-	19,629 Barrels

November 2011

Deliveries in Kansas	-	81,945 Barrels
Deliveries Outside of Kansas	-	86,002 Barrels

MAPL invoiced (attached as Exhibit Q) CRRM for the following deliveries outside of Kansas:

October 2011

Deliveries Outside of Kansas	-	67,509 Barrels
------------------------------	---	----------------

November 2011

Deliveries Outside of Kansas	-	152,310 Barrels
------------------------------	---	-----------------

MAPL has failed to provide documentary support for its stated position that CRRM historically delivered 90.69% of volumes from the Outbound Pipeline to Non Kansas destinations. MAPL has provided no sworn or certified statement in support of its Invoice calculation. (Exhibits Q and S). MAPL has stated that it will require CRRM to comply with credit and payment terms (including prepayment for shipment of petroleum products in Kansas), and such terms are not included in MAPL's KCC Tariff for the MAPL Outbound Pipeline. These MAPL credit and payment terms are to be imposed at Noon Houston time unless CRRM pays in full the Invoice attached as Exhibits Q and W.

Based on the Verified Complaint of CRRM, and specifically in reliance on Exhibits attached thereto, MAPL is hereby ordered by the KCC to amend its Invoice (Exhibit Q) to provide for the FERC Interstate Rate (subject to further orders of the Federal Energy Regulatory Commission, including but not limited to Refunds) to CRRM for the following volumes, and only the following volumes, for October and November 2011;

Interstate – Non Kansas Deliveries from the MAPL Outbound Pipeline

October 2011            -        19,629 Barrels

November 2011        -        86,002 Barrels

CRRM and MAPL are hereby ordered to appear on January \_\_\_\_\_, 2012, at \_\_\_\_\_, to present oral argument to the KCC concerning the Verified Complaint of CRRM, and the Invoice and Invoice preparation practices of MAPL for deliveries from the MAPL Outbound Pipeline for October 2011 and months subsequent thereto.

BY THE COMMISSION IT IS SO ORDERED.

Sievers, Chmn; Loyd, Com.; Wright, Com.

Dated: \_\_\_\_\_ 2012.

---

Patrice Petersen-Klein  
Executive Director

Received  
on

JAN 3 2012

LAW OFFICES  
**SMITHYMAN & ZAKOURA**  
CHARTERED  
750 COMMERCE PLAZA II  
7400 WEST 110TH STREET  
OVERLAND PARK, KANSAS 66210-2362  
(913) 661-9800

by  
State Corporation Commission  
of Kansas

LEE M. SMITHYMAN  
JAMES P. ZAKOURA  
ARTHUR E. RHODES  
CONSTANCE L. SHIDLER

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PRACTICE IN KANSAS AND MISSOURI

VERONICA L. DERSCH  
CARSON M. HINDERKS

January 3, 2012

Ms. Patrice Petersen-Klein  
Kansas Corporation Commission  
1500 SW Arrowhead Road  
Topeka, KS 66604

Re: In the Matter of the Complaint of Coffeyville Resources  
Refining & Marketing, LLC against Mid-America  
Pipeline Company, LLC

**Immediate Action by the KCC is Requested**

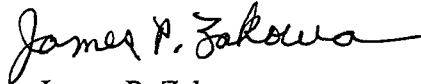
Dear Ms. Petersen-Klein:

Enclosed please find the original and eight copies of the

“Complaint of Coffeyville Resources Refining & Marketing, LLC (“CRRM”) Against Mid-America Pipeline Company, LLC (“MAPL”) for Violation of Orders of the Kansas Corporation Commission (“KCC”), for Charging Rates and Conditions Without KCC Approval, and for an Order Requiring MAPL to Comply with KCC Orders, and for Emergency Hearing of Complaint.”

Because of the Immediate Action Requested, a proposed Order is included for the consideration of the KCC.

Very truly yours,



James P. Zakoura

For

SMITHYMAN & ZAKOURA, CHARTERED

JPZ/dmw  
Encls.