

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

BP West Coast Products LLC,)	
)	
Complainant,)	
)	
v.)	Docket No. OR07-22
)	
Calnev Pipe Line LLC,)	
)	
Respondent.)	
)	

AFFIDAVIT OF PATRICK CROWLEY

- 1 Q: Please state your name, address and occupation.
- 2 A: My name is Patrick Crowley; I am a consultant in regulatory energy matters with my own
- 3 consulting firm, Crowley Energy Consulting. My business address is 630 E Street,
- 4 Northeast, Washington, DC 20002.
- 5 Q: Are you the same Patrick Crowley who provided affidavits earlier in this proceeding
- 6 alleging “changed circumstances” in regard to the rates charged by Calnev Pipe Line
- 7 Company (Calnev)?
- 8 A: Yes, I am.
- 9 Q: Mr. Crowley, are you familiar with the Calnev FERC Form 6?
- 10 A: Yes, I am.
- 11 Q: What data does the Federal Energy Regulatory Commission allow shippers to use in
- 12 challenging an oil pipeline tariff rate(s), including “grandfathered” rates?

1 A: The Federal Energy Regulatory Commission permits shippers to use the Form 6,
2 including Page 700 (Annual Cost of Service) to raise the issue of whether an oil
3 pipeline's rates remain just and reasonable and whether grandfathered rates remain
4 grandfathered.

5 Q: Does page 700 provide cost of service data on all pipeline services?

6 A: No, it does not. The FERC Form 6 Page 700 provides a company-wide snapshot of the
7 entity's costs, revenues, and throughput. It does not provide data for the individual
8 pipeline services. Note 7 on Page 700 states that the Commission or its staff may request
9 the pipeline provide workpapers supporting the data on Page 700. Page 700 does not
10 provide that other parties may request such supporting data. Hence, the supporting
11 documentation behind existing cost-of-service-derived rates is not publicly available to
12 demonstrate that any particular existing rate is unjust and unreasonable.

13 Q: Calnev asserts that the Complainants have not presented any challenge to Calnev's
14 interstate rate for terminal service, nor offer any substantial change analysis regarding
15 that rate. Have you attempted to analyze the Calnev terminal services rates in regard to
16 the changed circumstances tests?

17 A: No, I have not.

18 Q: Why have you not attempted to analyze the Calnev terminal rates in regard to the
19 changed circumstances tests?

20 A: There is no data available with which to do so.

21 Q: Have you examined Calnev's Form 6 for terminalling data?

22 A: Yes, I have. Calnev's Form 6 mentions the word "terminal" six times. None of the six
23 references relates to revenues, costs, or volumes.

1 Q: Calnev suggests that the lack of analysis of Calnev terminal revenues, costs, or volumes
2 leads to the conclusion that the Calnev's interstate terminal rate should remain
3 grandfathered. Do you agree?

4 A: It's difficult to agree with any proposition that is based on a total lack of information.

5 Q: What does Calnev charge for terminal services?

6 A: Calnev's tariff sheet FERC No. 24 states that Calnev charges \$0.2565 per barrel of
7 petroleum product for terminal facilities and services. Calnev also charges \$0.065 per
8 barrel for transfers of petroleum products after the delivery at the terminal.

9 Q: Does Calnev have any surcharges in its rates?

10 A: Yes, Calnev's tariff sheet FERC No. 24 indicates that Calnev charges a surcharge of
11 \$0.0214 per barrel for jet fuel.

12 Q: What share of Calnev's Page 700 cost of service relate to the terminalling charges?

13 A: Calnev's FERC Form 6 does not provide sufficient information to make that
14 determination.

15 Q: What share of Calnev's Page 700 cost of service relates to the jet fuel surcharge?

16 A: Calnev's FERC Form 6 does not provide sufficient information to make that
17 determination.

18 Q: Calnev lists the various products transported on Page 600 of the FERC Form 6, why not
19 just multiply the volumes time the transportation rate and the terminalling rate?

20 A: One could perform that operation but it would only give you the revenues per product
21 type; that calculation would not inform you of the costs for transportation as separate
22 from terminalling costs.

1 Q: How then would you go about making a determination that changed circumstances have
2 rendered Calnev's once-just-and-reasonable transportation rate and/or terminal rate now
3 unjust and unreasonable?

4 A: The data necessary to make a determination that changed circumstances have rendered
5 once-just-and-reasonable rates now unjust and unreasonable and no longer grandfathered
6 can only be obtained during a Commission ordered case in which discovery can bring
7 forth sufficient information to separate costs and revenues among the various
8 jurisdictional and non-jurisdictional services.

9 Q: Thank you, Mr. Crowley.

10 A: You are welcome.

DECLARATION OF PATRICK CROWLEY

I, Patrick Crowley, hereby declare under penalty of perjury that I have reviewed the foregoing testimony and it is true and accurate to the best of my knowledge, information, and belief.

Executed this 9th day of April, 2008.

PATRICK CROWLEY