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RECEIVED

MAR 14 2024

LA Public Service Commission

March 12, 2024

Brandon Frey
Executive Secretary
Louisiana Public Service Commission
602 North Fifth Street
Baton Rouge, Louisiana 70802

Re: Formal Complaint – Cantium, LLC

Dear Executive Secretary Frey:

Pursuant to Louisiana Revised Statute §§ 45:255 and 258, the Louisiana Public Service Commission's ("LPSC" or "Commission") General Order dated March 9, 2015,¹ and the Rules of Practices and Procedures of the Louisiana Public Service Commission,² Cantium, LLC ("Cantium"), as shipper/complainant, files the attached complaint against Rosefield Fourchon Operating, LLC ("Rosefield"), as a Common Carrier³ subject to the jurisdiction of the Commission⁴, for Rosefield's transportation and terminalling of Cantium's crude oil at the Fourchon Terminal, located in Lafourche Parish, Louisiana, without a tariff on file with the Commission and at rates that are excessive and unlawful.⁵

Included with this filing are the following documents:

- Complaint;
- Exhibit A: L.P.S.C. No. 7.0, Arrowhead Gulf Coast Midstream, LLC: Containing Rates for the Intrastate Transportation of Crude Petroleum in Louisiana (effective Dec. 1, 2019);
- Exhibit B: L.P.S.C. No. 1.1, Arrowhead Gulf Coast Pipeline, LLC, Local Tariff Containing Rules and Regulations Applying on the Intrastate Transportation of Crude Petroleum (as defined herein) by Pipeline (effective July 1, 2020);
- Exhibit C: L.P.S.C. 3.29.0, Mars Oil Pipeline Company LLC: Local Tariff Applying on the Transportation of Petroleum (effective July 1, 2023);

¹ See La. Rev. Stat. §§ 253, 255, 257, 258, 260.

² See La. Rev. Stat. § 263.

³ La. Rev. Stat. § 45:251(1).

⁴ La. Rev. Stat. § 45:252-253, 255.

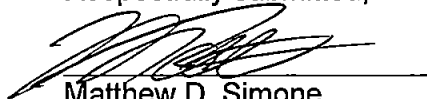
⁵ See La. Rev. Stat. § 45:255, 256, 258, 264, 265.

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- Exhibit D: Rosefield Fourchon Operating, LLC Non-Jurisdictional Rate Schedule No. 1.1.0 ("Rosefield Tariff");
- Exhibit E: Respondent's Motion to Dismiss and Answer in Cantium, LLC v. Rosefield Fourchon Operating, LLC, F.E.R.C. Docket No. OR24-5-000 (2/27/2024);
- Exhibit F: Louisiana Public Service Commission General Order, Docket No. R-33390 (Mar. 9, 2015).

Cantium reserves the right to submit additional document necessary to rebut any opposition provided by Rosefield or any other entity.

Respectfully submitted,



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LOUISIANA PUBLIC SERVICE COMMISSION

Cantium, LLC,)	
Complainant,)	
)	Docket No.:
v.)	
)	
Rosefield Fourchon Operating, LLC,)	
Respondent.)	

**COMPLAINT OF CANTIUM, LLC
AGAINST ROSEFIELD FOURCHON OPERATING, LLC**

1. Pursuant to Louisiana Revised Statutes §§ 45:255 and 258, the Louisiana Public Service Commission’s (“LPSC” or “Commission”) General Order dated March 9, 2015, and the Rules of Practices and Procedures of the Louisiana Public Service Commission, Cantium, LLC (“Cantium”), as shipper/complainant, files this complaint against Rosefield Fourchon Operating, LLC (“Rosefield”), as a Common Carrier subject to the jurisdiction of the Commission, for Rosefield’s transportation and terminalling of Cantium’s crude oil at the Fourchon Terminal, located in Lafourche Parish, Louisiana, without a tariff on file with the Commission and at rates that are excessive and unlawful.

I. OVERVIEW

2. Rosefield is illegally terminalling in its tank facilities and transporting Cantium’s crude oil without a LPSC tariff and at unjust, unreasonable, and otherwise unlawful rates. Rosefield’s actions violate Louisiana state law,⁶ LPSC regulations, and established precedent.

⁶ See La. Rev. Stat. § 45:251 *et seq.*

3. Rosefield transports Cantium’s crude oil produced from the Bay Marchand Field in the Gulf of Mexico through the Fourchon Terminal located in Lafourche Parish, Louisiana. The Fourchon Terminal is the only means of moving Cantium’s Bay Marchand production to market. The Fourchon Terminal connects oil production in the Gulf of Mexico to two crude oil pipelines: (1) a 20-inch pipeline owned by Chevron Pipe Line Company (“CPL”) that moves crude from the Fourchon Terminal to the Empire Terminal and then on to Pascagoula, Mississippi (“CPL 20-inch”); and (2) the Bay Marchand-to-Ostrica-to-Alliance Pipeline (“BOA Pipeline”), which moves crude to both interstate and intrastate locations, one of which is the Alliance Terminal dock facilities located Belle Chasse, Louisiana. Specifically, the BOA Pipeline maintains LPSC tariffs for the intrastate transportation of crude petroleum.⁷

4. Rosefield purchased portions of the Fourchon Terminal assets from CPL on August 22, 2023. LPSC already regulates tariffs imposed on crude oil transportation to the Fourchon Terminal,⁸ and into the subject pipelines.⁹ However, Rosefield continues to unlawfully circumvent LPSC’s authority and applicable tariffs by substituting its own unreasonable tariffs without such authority.¹⁰

5. Notwithstanding that Rosefield’s services and facilities at the Fourchon Terminal are integral to the intrastate transportation of crude oil through its connection to the CPL 20-inch

⁷ See, e.g., Exhibit A, L.P.S.C. No. 7.0, Arrowhead Gulf Coast Midstream, LLC: Containing Rates for the Intrastate Transportation of Crude Petroleum in Louisiana (effective Dec. 1, 2019); Exhibit B, L.P.S.C. No. 1.1, Arrowhead Gulf Coast Pipeline, LLC, Local Tariff Containing Rules and Regulations Applying on the Intrastate Transportation of Crude Petroleum (as defined herein) by Pipeline (effective July 1, 2020).

⁸ See, e.g., Exhibit C, L.P.S.C. 3.29.0, Mars Oil Pipeline Company LLC: Local Tariff Applying on the Transportation of Petroleum (effective July 1, 2023).

⁹ See, e.g., Exhibit A; Exhibit B.

¹⁰ See Exhibit D, Rosefield Fourchon Operating, LLC Non-Jurisdictional Rate Schedule No. 1.1.0 (“Rosefield Tariff”).

and BOA Pipeline, Rosefield performs services pursuant to a self-styled “non-jurisdictional tariff.”¹¹ Rosefield has not filed this “non-jurisdictional tariff” with the LPSC. Rosefield’s “non-jurisdictional tariff” rate of \$2.50 per barrel of crude oil is not only unreasonable, but entirely unprecedented.

6. Accordingly, Cantium requests that the Commission order Rosefield to file a LPSC tariff for intrastate services at Fourchon Terminal, with just and reasonable rates, terms, and conditions of service. Cantium further requests that the Commission award reparations, refunds, and damages, with interest, to Cantium for the amounts Rosefield has and is charging in excess of a just, reasonable, and lawful rate. Cantium reserves its right to investigate and further challenge the justness and reasonableness of Rosefield’s LPSC tariff rates, terms, and conditions, once filed with the Commission.

II. COMMUNICATIONS AND SERVICE

7. Communications to Cantium in this proceeding should be served upon:

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III. PARTIES

8. Complainant, Cantium, is an independent, privately held oil and gas company headquartered in Covington, Louisiana. In 2017, Cantium acquired the Bay Marchand Field from Chevron U.S.A. Inc. and acquired the dewatering facilities at Fourchon Terminal from CPL. The

¹¹ See *id.*

Bay Marchand Field spans both State of Louisiana and Outer Continental Shelf leases. Cantium ships all of its Bay Marchand merchantable crude oil through the Fourchon Terminal, as this is currently the only viable means of moving Cantium's crude to market. Cantium suffers harm from Rosefield's failure to file a LPSC tariff with just and reasonable rates for jurisdictional terminalling and transportation services through the Fourchon Terminal.

9. Respondent, Rosefield, on or about August 22, 2023, became owner and operator of portions of the Fourchon Terminal consisting of three large tanks (Tanks Nos. 4, 33, and 44), pipeline interconnect facilities, and related facilities and equipment capable of batching and delivering crude into the two pipelines served by the Fourchon Terminal: the CPL 20-inch and BOA Pipeline. Rosefield is headquartered at 1505 Loop 197 S., Texas City, Texas 77590. On information and belief, Rosefield is an affiliate of Rosefield Pipeline Company, LLC, headquartered at 2103 Research Forest Drive, Suite 300, The Woodlands, Texas 77380.

IV. ARGUMENT

10. Louisiana Revised Statute § 45:252 defines the jurisdictional authority of the LPSC and states, "All pipe lines through which petroleum is conveyed from one point in this state to another point in the state are declared to be common carriers as defined in R.S. 45:251 and are placed under the control of and subject to regulation by the Louisiana Public Service Commission."¹² The statute is intentionally broad and includes all pipelines moving liquid hydrocarbons within the State of Louisiana for a third party.¹³ Additionally, "pipe line" is broadly defined to include:

¹² La. Rev. Stat. § 45:252.

¹³ See La. Rev. Stat. § 45:251(2).

[R]eal estate, rights of way, pipe in line, telephone and telegraph lines or other communication systems, *tank facilities* as herein designated, and necessary for the proper conduct of its business as a common carrier, all fixtures, equipment and personal property of every kind owned, controlled, operated, used or managed, in connection with, or to facilitate the transportation, distribution and delivery of petroleum through lines constructed of pipe.¹⁴

It is incontrovertible that Rosefield provides tank/terminal facilities involved in the intrastate transportation of petroleum. In its response to Cantium’s FERC Complaint, Rosefield readily admits this fact and repeatedly states that its services at the Fourchon Terminal include terminal tank services, metering services, as well as pipeline transportation that transports crude to interconnecting pipelines.¹⁵ Rosefield additionally defines its own services as “the receipt of Crude Petroleum at the Terminal for the account of a Shipper and the transfer of such Crude Petroleum to Shipper Tankage, common stock storage, and/or Connecting Carrier pipelines as directed by the Shipper.”¹⁶ As previously stated, Cantium moves all of its crude petroleum produced in the Bay Marchand Field through the Fourchon Terminal to the CPL 20-inch and BOA Pipeline where it “is conveyed from one point in this state to another point in the state”¹⁷ Rosefield’s “non-jurisdictional tariff” applies specifically to the CPL 20-inch and BOA Pipeline,¹⁸ which clearly fall within the jurisdiction of the LPSC.

11. Additionally, the Court of Appeal for the Fourth Circuit of Louisiana has held that terminalling facilities, such as Fourchon Terminal, fall within the definition of Louisiana Revised

¹⁴ La. Rev. Stat. § 45:251(3) (emphasis added).

¹⁵ Exhibit E, Respondent’s Motion to Dismiss and Answer in *Cantium, LLC v. Rosefield Fourchon Operating, LLC*, F.E.R.C. Docket No. OR24-5-000 (2/27/2024), at pp. 2, 5, 6, 10.

¹⁶ Exhibit D at 3.

¹⁷ See La. Rev. Stat. § 45:252.

¹⁸ See Exhibit D at 11.

Statute § 45:251(3).¹⁹ In *Coleman v. Chevron Pipe Line Co.*, Chevron Pipe Line Company maintained a pipe line terminal facility, known as the Empire Terminal, on a property subject to a fifty year lease granted in 1944.²⁰ Before the lease was to terminate, “Chevron began negotiations with the landowners to purchase the property underlying its pipeline facility,” however, negotiations for two of the necessary tracts of land failed, leading Chevron to file expropriation proceedings.²¹ Chevron succeeded in its expropriation trial with its authority to expropriate based solely on its terminal facility fitting within the definition of Louisiana Revised Statute § 45:251(3).²²

12. The Fourth Circuit considered that La. Rev. Stat. § 45:251(3) provides that “expropriation of property for common carrier pipe line purposes should include ‘the real estate . . . tank facilities . . . necessary for the proper conduct of its business as a common carrier’”²³ The court emphasized this language, making it clear that the Empire Terminal fell within this statutory definition.

13. The Fourchon Terminal is indistinguishable from Empire Terminal, and as such, falls within the statutory definition of La. Rev. Stat. § 45:251(3) according to *Coleman*. Tank facilities such as Empire Terminal and Fourchon Terminal are expressly included in the statutory definition of pipe lines subject to LPSC jurisdiction.

¹⁹ See *Coleman v. Chevron Pipe Line Co.*, 94-1773 (La. App. 4 Cir. 4/24/96), 673 So. 2d 291, 297.

²⁰ *Id.* at 294.

²¹ See *id.* at 294-95.

²² See *id.*

²³ *Id.* at 297 (quoting La. Rev. Stat. § 45:251(3)).

14. In addition to the plain language of the statute and precedent, current LPSC tariffs further support LPSC jurisdiction over the Fourchon Terminal. In fact, transportation of the crude oil from the Bay Marchand Area to the Fourchon Terminal is subject to LPSC tariffs,²⁴ and the transportation of crude oil through the BOA Pipeline, which is connected to the Fourchon Terminal, is subject to LPSC tariffs.²⁵ Where the crude oil flowing to and from the Fourchon Terminal has been found to travel intrastate in Louisiana as to fall within the jurisdiction of the LPSC, it necessitates a finding that the Fourchon Terminal itself also falls within the jurisdiction of the LPSC.

15. Having established that the Fourchon Terminal is subject to LPSC jurisdiction, and therefore the Commission's rules and regulations, Rosefield is required to "charge rates that are just and reasonable, and not unreasonably discriminatory, for services offered under the same or similar circumstances."²⁶ There exists no precedent under which Rosefield can justify charging a tariff of \$2.50 per barrel for its services. Such a cost can only be described as unjust and unreasonable. The Fourchon Terminal is the only means of moving Cantium's Bay Marchand production to market, and knowing this, Rosefield is exploiting Cantium through its "non-jurisdictional tariff" in violation of the applicable Louisiana state laws and LPSC regulations. Therefore, it is paramount that the LPSC exercise its jurisdiction over Rosefield's Fourchon Terminal and set just and reasonable tariffs.

²⁴ *See, e.g.*, Exhibit C.

²⁵ *See* Exhibit A; Exhibit B; Exhibit C.

²⁶ Exhibit F, Louisiana Public Service Commission General Order, Docket No. R-33390 (Mar. 9, 2015); *see also* La. Rev. Stat. §§ 45:255, 258.

V. LIST OF WITNESSES

16. The following witnesses are prepared to be called in the event of an oral hearing, and the anticipated time of presentation of this case:

- Richard Kirkland, Cantium, LLC, Chief Executive Officer;
- Ricky Henegan, Cantium, LLC, Senior Independent Marketing Consultant.

VI. CONCLUSION

17. For the reasons specified above, Cantium respectfully requests that the Commission grant Cantium’s complaint and direct Rosefield to: (1) immediately file an LPSC tariff for jurisdictional terminalling and transportation in and through the Fourchon Terminal; (2) establish just and reasonable rates and terms of service in accordance with the Louisiana law, and LPSC regulations; and (3) pay reparations, refunds, and damages, with interest, to Cantium for amounts charged above a just and reasonable rate level and such other amounts and damages that are warranted by Rosefield’s violation of law.

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Respectfully submitted,



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Attorneys for Cantium, LLC

LOUISIANA PUBLIC SERVICE COMMISSION

Cantium, LLC,)
Complainant,)
v.) Docket No.:
Rosefield Fourchon Operating, LLC,)
Respondent.)

VERIFICATION

STATE OF LOUISIANA
PARISH OF ORLEANS

BEFORE ME, the undersigned Notary Public, personally came and appeared:

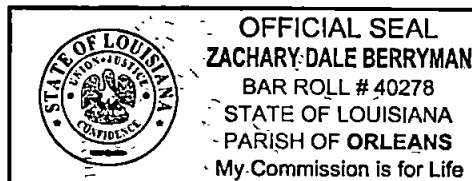
MATTHEW D. SIMONE

Who, being first duly sworn, did depose and say that he, as the attorney for Cantium, LLC, the Complainant in this matter, has read and understands the foregoing in its entirety and that all of the facts and allegations contained in the Complaint are true and correct.



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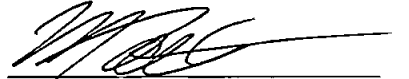
SWORN TO AND SUBSCRIBED
BEFORE ME THIS 12 DAY OF
March, 2024


NOTARY PUBLIC

CERTIFICATE OF SERVICE

I hereby certify that I have this 12th day of March, 2024, served copies of the foregoing pleading upon all other known parties of this proceeding, by certified mail.

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