

FEB 13 1980

ORIGINAL

Decision No. 91341

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SOUTHERN PACIFIC
PIPE LINES, INC. under the
shortened procedure tariff docket
to make increases in minimum
tender and delivery requirements
in Local Pipeline Tariff 1-E and
Joint Pipeline Tariff 5-K.

Application No. 59013
(Filed July 24, 1979;
amended October 15, 1979)

OPINION AND ORDER

Southern Pacific Pipe Lines, Inc. (SPPL), and Calnev Pipeline Company (Calnev) are public utility pipeline corporations engaged in the transportation of certain petroleum products. SPPL requests authority to increase minimum tender and delivery requirements applicable via its West Line from Watson and Norwalk to Colton. The minimum requirements are published in Item 30 of SPPL Local Pipeline Tariff 1-E, Cal PUC 49, FERC 65 (Tariff 1-E), and in Item 30 of SPPL Joint Pipeline Tariff 5-K, Cal PUC 48, ICC 64 (Tariff 5-K).

SPPL Tariff 1-E applies from stations at Watson, Norwalk, Richmond, Concord, Bakersfield, and Seguro, California, to various intrastate and interstate destinations. It also applies from El Paso, Texas, to two points in Arizona. Tariff 5-K applies from Watson and Norwalk to Colton via SPPL, thence via Calnev to Santa Fe, Barstow, and Coolwater, California, and to three points in Nevada. The body of Item 30 of Tariff 1-E now reads:

"The minimum quantity of any one product of quality and specifications described herein which will be accepted at one point of origin from one shipper shall be 5,000 barrels.

"The minimum quantity which will be delivered at any destination station shall be 2,500 barrels."

Authority is requested to amend that item to read:

"The minimum quantity of any one product of quality and specifications described herein which will be accepted at one point of origin from one shipper shall be 5,000 barrels, except at Watson and Norwalk, California, where the minimum quantity shall be 10,000 barrels.

"The minimum quantity which will be delivered at any destination station or intermediate storage shall be 2,500 barrels, except at Colton, California, where the minimum quantity delivered shall be 5,000 barrels."

The body of Item 30 of Tariff 5-K now reads:

"The minimum quantity of any one product of quality and specification described herein which will be accepted at one point of origin from one shipper shall be 5,000 barrels.

"A minimum quantity of 2,500 barrels of any one product tendered at origin may be delivered at Colton, California, subject to the rate applicable to Colton, California, as published in SPPL Tariff *1-E, CalPUC 47, or successive issues thereof."

Authority is requested to amend that item to read:

"The minimum quantity of any one product of quality and specifications described herein which will be accepted at one point of origin from one shipper shall be 10,000 barrels.

"A minimum quantity of 5,000 barrels of any one product tendered at origin may be delivered at Colton, California, subject to the rate applicable to Colton, California, as published in SPPL Tariff *1-E, CalPUC 47, or successive issues thereof."

SPPL relies upon the following alleged facts and circumstances in justification of the sought increased minimum tender and delivery requirements. The portion of SPPL's West Line from Watson and Norwalk to Colton is pumping in excess of 10,000 barrels per hour. The high rate of throughput in this portion of the pipeline is necessary to move the volumes required by the consuming public. Loss of throughput capability occurs when switches between pumpings are separated by only 30 minutes and between deliveries by only 15 minutes, as is the case with present minimum tenders. It is alleged that the proposed increased minimum tenders would permit more effective, environmentally acceptable, and safer use of tanks and other facilities to the benefit of consumers and the public generally. Assertedly, the increased minimum tender and delivery requirements would not result in an increase in California intrastate gross revenues.

The Transportation Division staff has reviewed the application and believes it is one which, in the absence of protest, may be granted by ex parte order. The application and the amendment were noticed on the Commission's Daily Calendars of July 26 and October 17, 1979, respectively. SPPL states that all shippers from Watson and Norwalk have been advised of the proposed increases in minimum quantities and that their concurrences thereto have been obtained. There are no protests. SPPL states that the proposed tariff amendments will be made effective on statutory notice, if approved.

Findings of Fact

1. SPPL proposes to increase certain minimum tender and delivery requirements for shipments of petroleum products by pipeline, under Tariff 1-E and Tariff 5-K, through its West Line from Watson and Norwalk to Colton, and to points beyond Colton via SPPL and Calnev.

2. The purposes of the proposed increased tender and delivery requirements are to permit more effective, environmentally acceptable, and safer use of tanks and other facilities to the benefit of consumers and the public generally.

3. The record does not show that approval of the application would result in any significant increase in SPPL's intra-state gross revenues.

4. The proposed increases in minimum tender and delivery requirements are justified.

Conclusions of Law

1. The application should be granted.

2. A public hearing is not necessary.

IT IS ORDERED that:

1. Southern Pacific Pipe Lines, Inc. is authorized to establish the sought increased minimum tender and delivery requirements in Item 30 of Tariff 1-E, and in Item 30 of Tariff 5-K, for shipments through its West Line from Watson and Norwalk to Colton, and to points beyond Colton via Southern Pacific Pipelines, Inc., and Calnev Pipeline Company.

2. Tariff publications authorized to be made as a result of this order shall be filed not earlier than the effective date of this order on not less than five days' notice to the Commission and to the public.

3. The authority shall expire unless exercised within sixty days after the effective date of this order.

4. The authority granted by this order is subject to the express condition that applicant will never urge before this Commission in any proceeding under Section 734 of the Public Utilities Code, or in any other proceeding, that this opinion and order constitute a finding of fact of the

reasonableness of any particular rate or charge. The filing of rates and charges pursuant to this order will be construed as a consent to this condition.

The effective date of this order shall be thirty days after the date hereof.

Dated FEB 13 1980, at San Francisco, California.

John E. Coyne
President

James P. Stanger

Richard W. Hoyle

Clair T. DeWitt

Commissioners

Commissioner Leonard M. Grimes, Jr.,
being necessarily absent, did not
participate.