

Decision 99-02-084 February 18, 1999

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Unocal
California Pipeline Company for Authority to
Remove Its Line 700B Oil Pipeline in Los Angeles
County from Common Carrier Service.

Application 98-04-015
(Filed April 14, 1998)

OPINION

Unocal California Pipeline Company (UNOCAP) seeks authority to remove from common carrier service approximately 5.8 miles of oil pipeline designated by UNOCAP as Trunk Line 700B in Los Angeles County and to eliminate UNOCAP's common carrier obligation to provide intrastate transportation of crude oil on that line. UNOCAP is a common carrier oil pipeline company subject to the jurisdiction of this Commission. UNOCAP operates crude petroleum pipelines between points in California pursuant to tariffs on file with the Commission.

The main part of Line 700B runs generally east-west along Anaheim Street in the City of Long Beach. A lateral pipeline which runs south from the Anaheim Street section delivers crude oil to Ultramar, Inc., an operator of a crude oil refinery and for the last three years the only common carrier customer of UNOCAP that utilizes Line 700B.

Applicant asserts several reasons which justify authorizing the removal of Line 700B from common carrier service. Most importantly, portions of Line 700B need to be removed from its current location to accommodate street and highway relocation and construction, including a grade separation project on Anaheim Street. The approximately \$1.6 million cost of relocating these portions of the pipeline is not justified, in applicant's opinion, because of the declining level of

crude oil movements over this line, the risk of a more rapid decline in movements in the future, and the decline in revenues which reasonably can be expected from such movements. In addition, there is an alternate oil pipeline owned by Texaco that can be used to deliver crude oil to the only common carrier customer – Ultramar – that utilizes Line 700B. Thus, the removal of Line 700B will have no impact on the ability of Ultramar to receive crude oil shipments at its Los Angeles refinery.

Two protests to UNOCAP's application were filed, one by Tidelands Oil Production Company (Tidelands), a producer of crude oil in Los Angeles County, and another by the City of Long Beach, as Trustee, and the State of California, as beneficiary (collectively, the City). Ultramar, although notified, did not protest. On June 15, 1998, Tidelands filed with the Commission a formal request to withdraw its protest to UNOCAP's application. On September 28, 1998, the City filed with the Commission a formal request to withdraw its protest to UNOCAP's application. The protests recognize that the alternate Texaco oil pipeline provides Ultramar with the ability to receive all the crude oil it formerly had received through Line 700B.

Given the absence of any remaining protests to UNOCAP's application, the \$1.6 million cost of relocating the pipeline, and the fact that the sole common carrier customer which utilized Line 700B has the ability to continue to receive the crude oil it formerly received through Line 700B, we conclude that public convenience and necessity no longer require Line 700B to remain in common carrier service.

In Resolution ALJ 176-2993 dated May 21, 1998, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. Protests have been withdrawn.

Given this status, public hearings is not necessary and it is not necessary to alter the preliminary determinations made in Resolution ALJ 176-2993.

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Public Utilities Code Section 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

The Applicant's proposal in the instant application for authority to remove certain facilities from service constitutes a project under California Environmental Quality Act (CEQA) and is subject to environmental review by the Commission. However, the Commission staff has determined that the specific action proposed by the Applicant in this instance qualifies for an exemption under CEQA (PRC § 21080.21; CEQA Guidelines § 15282(L) and therefore no further environmental review is required.

Findings of Fact

1. Public convenience and necessity no longer require the operation of Trunk Line 700B.
2. The Applicant's proposal is a project pursuant to the CEQA and qualifies for an exemption from further CEQA review.

Conclusion of Law

UNOCAP should be authorized to remove Line 700B from common carrier service.

O R D E R

IT IS ORDERED that:

1. Unocal California Pipeline Company is authorized to remove its Line 700B oil pipeline in Los Angeles County from common carrier service.
2. This application is closed.

This order is effective today.

Dated February 18, 1999, at San Francisco, California.

RICHARD A. BILAS
President
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners