

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-2981
MARCH 11, 1992

R E S O L U T I O N

RESOLUTION G-2981. SHELL CALIFORNIA PIPELINE COMPANY
REQUEST FOR AUTHORIZATION TO REVISE ITS TARIFF CAL.
P.U.C. SHEET 1 "LOCAL TARIFF APPLYING ON THE
TRANSPORTATION OF REFINED PETROLEUM PRODUCTS BY PIPELINE
FROM POINTS ENUMERATED IN TABLE OF RATES TO POINTS
ENUMERATED IN TABLE OF RATES".

BY ADVICE LETTER 4, FILED ON JANUARY 6, 1992, AND
SUPPLEMENTAL ADVICE LETTER 4A, FILED ON JANUARY 29,
1992.

SUMMARY

1. Shell California Pipeline Company (SCPC) requests authority to file revised tariff sheets Cal. P.U.C. 1 "Local Tariff". The revision would (1) add a new Point of Origination, (2) increase the allowable percentage of impurities in material tendered for shipment from 1 percent to 3 percent, (3) impose, for all impurities in the shipment a penalty of \$0.015 per barrel for each 0.1 percent increase in impurities over 1.5 percent, (4) add language that any direct per-barrel fees or assessments levied upon SCPC will be passed through to the shippers, (5) add language permitting the use of Facsimile Electronic Transmission (FAX) of messages in addition to telegraph, and (6) delete a reference to a measurement standard which is no longer used in the industry.
2. Advice Letter 4A reduced the charges for shipments from the new Point of Origination.
3. This Resolution grants the requested authority.

BACKGROUND

1. Increased environmental concerns require stricter standards for the the disposal of waste material by SCPC. SCPC is incurring increasing costs for the disposal of waste water and other impurities from its pipeline system.

2. SCPC is the owner and operator of a system of pipelines which pass through various cities, usually using public streets.

NOTICE:

1. Public notice of these filings has been made by publication in the Commission's calendar on January 8, 1991, and by distribution of the filing to adjacent utilities, California Department of Health Services and the South Coast Air Quality Management District.

PROTESTS

1. No protests to this Advice Letter were received by the Commission Advisory and Compliance Division.

DISCUSSION

1. SCPC is adding a new Point of Origination "UNOCAP Junction" to the list of origination points. As this request is to provide a service not previously offered, formal Commission approval by Resolution is not required when there is no protest.

2. Environmental considerations control the disposal of industrial waste material. One of these is production and transportation of crude petroleum and its products. Restrictions on the disposal of waste resulting from these processes have increased the cost of operation of pipeline systems.

3. SCPC proposes to raise the upper limit of impurities in the material accepted for shipment from 1 percent to 3 percent. In addition, a penalty of \$0.015 per barrel for each 0.1 percent the amount of impurities above 1.5 percent impurities is proposed. Material containing a higher percentage of impurities, will incur a surcharge.

4. Increasing the above limits will permit shipment of additional material. This will restrict the disposal of impurities to fewer and more appropriate facilities. Additional charges for the disposal of such waste material should be paid by those who are responsible for incurring them.

5. SCPC proposes that if a city or other government authority should assess additional charges on the commodity shipped through its territory such charges should be paid by the shippers of the surcharged commodity rather than being spread to all shippers.
6. The existing rules require that notices and certain other information between SCPC and its customers be sent by telegraph. Use of alternative forms of communication, such as FAX or E-mail, should be permitted as long as the customer receives the required written message.
7. The tariffs now require that meter readings receive a pressure adjustment as specified in A.P.I. (American Petroleum Institute) Standard 1101 - "Measurement of Petroleum Liquid Hydrocarbons by Pipeline Displacement Meters". The utility is requesting deletion of this test specification as new meters being installed are not displacement meters. The utility is proposing to insert the sentence, "Where measurement is made by meter, further corrections will be made in accordance with currently accepted standards and practices." This will permit use of the appropriate correction test for the type of meter used, ie rotary, electronic, nuclear, etc. The new tests are found on the 7 volumes titled "A.P.I. Manual of Petroleum Measurements Standards".
8. The proposed reduction in rates, from 15¢ a barrel to 10¢ a barrel, contained in Advice Letter 4A does not require Commission approval by Resolution.

FINDINGS

1. It is reasonable to accept for transportation through the pipeline system material which contains a higher level of impurities than was previously acceptable provided that those who ship such material compensate the pipeline for the costs of disposal of this waste material and the charges are not spread to all shippers.
2. Charges imposed by a government entity for material for material moving through its domain should be paid by the shippers, and not distributed over all the users of a pipeline system.
3. It is reasonable to use alternatives to existing requirements, as long as the required results are achieved. Facsimile Electronic Transmission of messages instead of the use of telegrams should be approved.
4. Requiring quality tests which are no longer the industrial standards or appropriate for the types of meters being used should be changed to require tests which are currently in use for the particular meter installed.

THEREFORE, IT IS ORDERED that:

1. Advice Letter 4 and Supplemental Advice Letter 4A and the tariff sheets submitted with Supplemental Advice Letter 4A by Shell California Pipeline Company shall be marked to show that they were approved for filing by Commission Resolution G-2981
2. The changes contained in Supplemental Advice Letter 4A shall become effective on March 11, 1992.
3. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on March 11, 1992. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

DANIEL Wm. FESSLER
President
JOHN B. OBIANIAN
PATRICIA M. ECKERT
NORMAN D. SHIMWAY
Commissioners