

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND  
COMPLIANCE DIVISION  
Energy Branch

RESOLUTION O-0011  
February 23, 1996

R E S O L U T I O N

RESOLUTION O-0011. CHEVRON PIPELINE COMPANY REQUESTS APPROVAL TO REMOVE FROM SERVICE, A PORTION OF ITS LOST HILLS PIPELINE SYSTEM. CAL PUC NO. 20 WOULD BE CANCELLED AND REPLACED WITH CAL PUC NO. 24.

BY ADVICE LETTER 18, FILED ON NOVEMBER 21, 1995.

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SUMMARY

1. Chevron Pipeline Company (Chevron) seeks approval to remove from service a portion of its Lost Hills Pipeline System. Chevron's parent company, Chevron U.S.A., was the last shipper to utilize this system on February 1, 1995.
2. Due to age, recurring leaks, and lack of shipper interest on the portion of Chevron's Lost Hills Pipeline System as described in this advice letter, it is not economically feasible for Chevron to replace or refurbish this pipeline to keep it in service.
2. No protests were filed.
3. Advice Letter (AL) No. 18 is approved.

BACKGROUND

1. Chevron filed AL No. 18 on November 21, 1995, requesting authority to remove from service, a portion of its Lost Hills Pipeline System. The proposed cancelled service is described in Chevron's current tariff sheet No. 20 as originating at Junction with Private Carrier's 8-inch Pipeline in Sec. 8, T.27S., R.21E. in Kern County, whose destination is UNOCAP Line 164 Junction, Section 35, T.27S., R.21.E., North Belridge, Kern County.
2. The rate to transport crude petroleum from the above origin and destination points is five cents per barrel.
3. Chevron's last shipper to utilize this portion of the Lost Hills Pipeline System was its parent company, Chevron U.S.A.. Since February 1, 1995, there have been no requests to ship oil on this portion of the Lost Hills Pipeline System.

4. A private (unregulated) carrier's 8-inch pipeline that fed Chevron's origin point was abandoned due to age and recurring leaks. Chevron leased the leaking line and subsequently determined that it was not economically feasible to replace or refurbish it. Chevron then abandoned the 8-inch line, which caused a portion of the Lost Hills Pipeline System to become idle.

NOTICE

Chevron served notice of AL 18 by mailing copies to interested parties, and the AL was posted on the Commission calendar.

PROTESTS

No protests were received for AL 18.

DISCUSSION

1. Since Chevron has not had any shipper interest to utilize the above portion of the Lost Hills Pipeline System since February 1, 1995, CACD recommends that the Commission authorize Chevron's request to cancel service.

FINDINGS

1. Chevron filed Advice Letter No. 18 on November 21, 1995, requesting authority to remove from service, a portion of its Lost Hills Pipeline System.

2. Due to lack of shipper interest to utilize and maintain the above portion of the Lost Hills Pipeline System, described in AL No. 18, it is not economically feasible for Chevron to replace or refurbish this pipeline.

3. The Commission should authorize Chevron's request as described in AL 18.

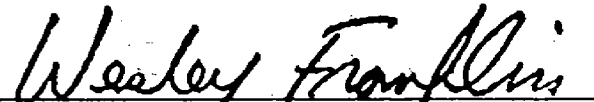
February 23, 1996

THEREFORE, IT IS ORDERED that:

1. Chevron Pipeline Co's Advice Letter No. 18 is approved.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 23, 1996. The following Commissioners approved it:



WESLEY FRANKLIN  
Executive Director

DANIEL Wm. FESSLER  
President  
P. GREGORY CONLÓN  
JESSIE J. KNIGHT, Jr.  
HENRY M. DUQUE  
JOSIAH L. NEEPER  
Commissioners