

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

**RESOLUTION O-0019
NOVEMBER 19, 1997**

RESOLUTION

RESOLUTION O-0019. MOBIL PACIFIC PIPELINE COMPANY SEEKS APPROVAL TO ABANDON ITS OWNERSHIP INTEREST IN THE VENTURA PIPELINE SYSTEM. APPROVED.

BY ADVICE LETTER NO. 6, FILED ON AUGUST 29, 1997.

SUMMARY

1. Mobil Pacific Pipeline Company (MPPL) seeks approval to abandon its ownership interest in the Ventura Pipeline System. The remaining ownership interest is divided equally between Chevron Pipe Line Company (Chevron), Texaco Trading and Transportation, Inc. (Texaco), and Union Oil of California.
2. MPPL owns approximately 30.5% of this pipeline system, and is therefore subject to 30.5% of the cost of operation. MPPL only ships approximately 13% of the volume moved through the system. MPPL loses over \$90,000 per year operating this pipeline system.
3. No protest were filed.
4. This resolution approves Advice Letter (AL) No. 6.

BACKGROUND

1. On August 29, 1997, MPPL filed AL No. 6 requesting authority to abandon its ownership interest in the Ventura Pipeline System. This pipeline system carries crude oil from the Rincon area in California to the marine terminals of Union, Shell and Texaco located near the city of Ventura, California and is comprised of 17 miles of pipeline.
2. MPPL owns a 30.5% interest of this pipeline system. The remaining ownership interest is divided equally between Chevron, Texaco, and Union.
3. MPPL states there are no shippers who would be impacted by this action.

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4. MPPL will continue to ship volumes on this pipeline by paying the applicable tariff rate to the owner it chooses to ship with.
5. Operations of the Ventura Pipeline System will not be interrupted as the remaining owners, Chevron, Texaco, and Union will each have an equal ownership interest in the Ventura Pipeline System, and will each continue to operate and ship on the pipeline system.
6. MPPL submitted Supplement No. 1 to Tariff Cal.P.U.C. No. 3 and Supplement No. 1 to Tariff CAL.P.U.C. No. 4 as cancellation tariffs to reflect the abandonment of MPPL's ownership in the Ventura Pipeline System located in Ventura County, California.

NOTICE

1. Notice of AL No. 6 was made by publication in the Commission's calendar and by mailing copies of the filing to all interested parties.

PROTEST

1. No protests were received for AL No. 6.

DISCUSSION

1. AL No. 6 should be approved because MPPL's abandonment of its ownership interest in the Ventura Pipeline System will not affect any of the other owners or shippers.
2. MPPL's abandonment of its ownership in the Ventura Pipeline System will not interfere with the operation of the pipeline because it will continue to be operated by the remaining owners, Chevron, Texaco, and Union. Upon approval of MPPL's abandonment of its ownership interest in the Ventura Pipeline System, Chevron, Texaco, and Union will each have an equal ownership interest in this pipeline system.
3. It is not economically feasible for MPPL to continue owning this pipeline as it is responsible for 30.5% of the operating cost and is losing over \$90,000 per year. Further, MPPL ships only 13% of the volume moved through this pipeline system. Moreover, MPPL will continue to ship volumes on this pipeline by paying the tariff rate to whichever of the remaining owners it chooses to ship on.

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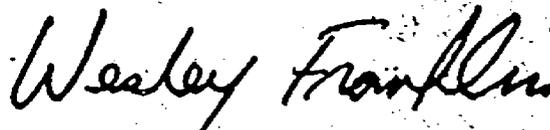
FINDINGS

1. MPPL filed AL No. 6 on August 29, 1997 requesting abandonment of its ownership interest in the Ventura Pipeline System.
2. MPPL is responsible for 30.5% of the operating cost and ships only 13% of the volume moved through this pipeline system. MPPL is losing over \$90,000 per year.
3. MPPL's abandonment of its ownership interest in the Ventura Pipeline System will not interfere with the operation of the pipeline because it will continue to be operated by the remaining owners, Chevron, Texaco, and Union.
4. MPPL's abandonment of its ownership interest in the Ventura Pipeline System will not negatively affect any of the other owners or shippers.

THEREFORE IT IS ORDERED THAT:

1. Mobil Pacific Pipeline Company's request for approval of Advice Letter O-0019, to abandon its ownership interest in the Ventura Pipeline System, is approved.
2. This resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on November 19, 1997. The following Commissioners approved it:



WESLEY M. FRANKLIN
Executive Director

P. Gregory Conlon, President
Jessie J. Knight, Jr.
Henry M. Duque
Josiah L. Neeper
Richard A. Bilas
Commissioner