

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**ENERGY DIVISION**

**RESOLUTION O-0022  
APRIL 9, 1998**

**RESOLUTION**

**RESOLUTION O-0022. TEXACO CALIFORNIA PIPELINES INC. SEEKS APPROVAL TO ABANDON ITS OWNERSHIP INTEREST IN THE VENTURA PIPELINE SYSTEM AND CANCELLATION OF TARIFFS CAL. PUC NO. 6, NO. 10, AND NO. 11. APPROVED.**

**BY ADVICE LETTER NO. 3, FILED ON JANUARY 29, 1998.**

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**SUMMARY**

1. Texaco California Pipelines Inc. (TCPI) seeks to abandon its ownership interest in the Ventura Pipeline System (VPS) by forfeiting and relinquishing its ownership to the remaining owners of the VPS, Chevron Pipe Line Company (Chevron) and TOSCO.
2. TCPI seeks to cancel its Cal. PUC No.6 tariff by canceling all movement from TCPI's Willett Station to Unocal Marine Terminal.
3. TCPI also seeks to cancel its tariff rates to the Newhall Station, Cal. PUC No. 10, because of no movement. At one time, crude oil moved toward the Newhall Station and a connection with Line 1 of Arco Pipeline Company, formerly Four Corners Pipeline Company. This line was shut down by the 1994 Northridge earthquake and never put back into operation.
4. TCPI further seeks to cancel its tariff rates for the gathering service from the Bridge Area, Shiells Canyon and South Mountain, Cal. PUC No. 10 and No. 11, because of the sale of these systems pursuant to Decision (D. 95-12-009).
5. No protests were filed.
6. This resolution approves Advice Letter (AL) No. 3.

**BACKGROUND**

1. On January 29, 1998, TCPI filed AL No. 3 seeking to abandon its ownership interest in

April 9, 1998

the Ventura Pipeline System (VPS). TCPI proposed to abandon its ownership interest in VPS by forfeiting and relinquishing its ownership to the remaining owners of the VPS, Chevron and TOSCO.

2. TCPI is forfeiting its ownership in VPS because it believes there is no prospect that its economic situation will improve. TCPI owns one-third of the system and is required to pay one-third of the operating costs. For the years 1994 and 1995, TCPI experienced losses on the VPS. In 1996 and 1997, the net income, before taxes, that TCPI earned was small, \$15,409 and \$30,792, respectively. TCPI believes there is simply no prospect that its situation will improve in the future, and instead has elected to relinquish its share of the system to the remaining owners.

3. TCPI's ownership interest will be redistributed between Chevron and TOSCO, and the service will continue to be available to shippers under the tariffs of the remaining owners.

4. TCPI seeks to cancel its Cal. PUC No.6 tariff by canceling all movement from TCPI's Willett Station to Unocal Marine Terminal.

5. TCPI is also seeking to cancel its tariff rates to the Newhall Station, Cal. PUC No. 10, because of no movement. At one time, crude oil moved toward the Newhall Station and a connection with Line 1 of Arco Pipeline Company, formerly Four Corners Pipeline Company. This line was shut down by the 1994 Northridge earthquake and never put back into operation.

6. TCPI further seeks to cancel its tariff rates for the gathering service from the Bridge Area, Shiells Canyon and South Mountain, Cal. PUC No. 10 and No. 11, because of the sale of these systems pursuant to D. 95-12-009.

#### NOTICE

1. Notice of AL No. 3 was made by sending a copy of the advice letter to all tariff subscribers via first class mail.

#### PROTEST

1. No protests were received for AL No. 3.

#### DISCUSSION

1. AL No. 3 should be approved because TCPI's abandonment of its ownership interest in the Ventura Pipeline System was not protested by any of the other owners or shippers.

April 9, 1998

2. TCPI'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 and TOSCO. Upon approval of TCPI's abandonment of its ownership interest in the Ventura Pipeline System, Chevron and TOSCO will each have an equal ownership interest in this pipeline system.
3. TCPI believes there is no prospect that its economic situation will improve. TCPI owns one-third of the system and is required to pay one-third of the operating costs. For the years 1994 and 1995, TCPI experienced losses on the VPS. In 1996 and 1997, the net income, before taxes, that TCPI earned was small, \$15,409 and \$30,792, respectively. TCPI believes there is simply no prospect that its economic situation will improve in the future, and instead has elected to relinquish its share of the system to the remaining owners.
4. TCPI's ownership interest will be redistributed equally between Chevron and TOSCO and the service will continue to be available to shippers under the tariffs of the remaining owners.
5. TCPI seeks to cancel its Cal. PUC No. 6 tariff by canceling all movement from TCPI's Willett Station to Unocal Marine Terminal.
6. TCPI is also seeking to cancel its tariff rates to the Newhall Station, Cal. PUC No. 10, because of no movement. At one time, crude oil moved toward the Newhall Station and a connection with Line 1 of Arco Pipeline Company, formerly Four Corners Pipeline Company. This line was shut down by the 1994 Northridge earthquake and never put back into operation.
7. TCPI further seeks to cancel its tariff rates for the gathering service from the Bridge Area, Shiells Canyon and South Mountain, Cal. PUC No. 10 and No. 11, because of the sale of these systems pursuant to D. 95-12-009.

#### FINDINGS

1. TCPI filed AL No. 3 on January 29, 1998 requesting abandonment of its ownership interest in the Ventura Pipeline System.
2. TCPI owns one-third of the system and is required to pay one-third of the operating costs.
3. For the years 1994 and 1995, TCPI experienced losses on the VPS. In 1996 and 1997, the net income, before taxes, that TCPI earned was small, \$15,409 and \$30,792, respectively.
4. TCPI believes there is simply no prospect that its economic situation will improve in the

April 9, 1998

future, and instead has elected to relinquish its share of the system to the remaining owners.

5. TCPI's ownership interest will be redistributed equally between Chevron and TOSCO and the service will continue to be available to shippers under the tariffs of the remaining owners.

6. TCPI will cancel its Cal. PUC No. 6 tariff by canceling all movement from TCPI's Willett Station to Unocal Marine Terminal.

7. TCPI will cancel its tariff rates to the Newhall Station, Cal. PUC No. 10, because of no movement. At one time, crude oil moved toward the Newhall Station and a connection with Line 1 of Arco Pipeline Company, formerly Four Corners Pipeline Company. This line was shut down by the 1994 Northridge earthquake and never put back into operation.

8. TCPI will cancel its tariff rates for the gathering service from the Bridge Area, Shiells Canyon and South Mountain, Cal. PUC No. 10 and No. 11, because of the sale of these systems pursuant to D. 95-12-009.

9. Notice of AL No. 3 was made by sending a copy of the advice letter to all tariff subscribers via first class mail.

**THEREFORE IT IS ORDERED THAT:**

1. Texaco California Pipeline Company's request for approval of Advice Letter No. 3 to abandon its ownership interest in the Ventura Pipeline System is approved.

2. Texaco California Pipeline Company's request to cancel its Cal. PUC No. 6 tariff, canceling all movement from its Willett Station to Unocal Marine Terminal is approved.

3. Texaco California Pipeline Company's request to cancel its Cal. PUC No. 10 tariff, to the Newhall Station, is approved.


4. Texaco California Pipeline Company's request to cancel its Cal. PUC No. 10 and No. 11 tariffs, for its gathering service from Bridge Area, Shiells Canyon and South Mountain, is approved.

5. This resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on April 9, 1998. The following Commissioners approved it:

Resolution O-0022  
TCPI AL No. 3/BFS

April 9, 1998



*Wesley Franklin*

WESLEY M. FRANKLIN  
Executive Director

Richard A. Bilas, President  
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Commissioners