

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

**ENERGY DIVISION**

**RESOLUTION O-0025  
SEPTEMBER 3, 1998**

**RESOLUTION**

**RESOLUTION O-0025. ARCO PIPELINE COMPANY (APL) SEEKS TO REMOVE FROM COMMON CARRIER SERVICE ITS NORTHERN PORTION OF LINE 1 STARTING FROM APLOS KELLY PIPE STATION TO ITS TEJON PUMP STATION AND TO CANCEL ALL RELATED RATE SHEETS. APPROVED.**

**BY ADVICE LETTER NO. 48, FILED ON JUNE 18, 1998.**

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**SUMMARY**

1. By Advice Letter (AL) No. 48, Arco Pipe Line Company (APL) requests authority to remove from common carrier service its northern portion of Line 1 starting from its Kelly Pipe Station to its Tejon Pump Station and to cancel all related rate sheets.
2. No protests were filed in this matter.
3. This resolution approves AL No. 48.

**BACKGROUND**

1. APL filed this advice letter seeking to remove from common carrier service its northern portion of Line 1 starting from its Kelly Pipe Station to its Tejon Pump Station, and cancel all related rate sheets.
2. Line 1 was damaged in the 1994 Northridge earthquake.
3. By December 1997, APL was required to make repairs to several miles of pipeline as the acetylene welds required replacement. However, APL found that replacing the line was uneconomical and only one shipper was using the line before the earthquake.
4. The only shipper using Line 1 has since found other alternative means of transporting its crude oil.
5. All trunk line and gathering tariffs related to Line 1 are also proposed for cancellation.

September 3, 1998

### NOTICE

1. Notice of AL No. 48 was made by sending copies of it to all crude oil tariff subscribers, oil producers, and shippers known to APL.

### PROTEST

1. No protests were received for AL No. 48.

### DISCUSSION

1. APL's request to remove from common carrier service its northern portion of Line 1 starting from its Kelly Pipe Station to its Tejon Pump Station was made because of the damage to acetylene welds on Line 1 caused by the 1994 Northridge earthquake.
2. Vintage Petroleum, Inc. was the only oil producer shipping on Line 1.
3. The damage to Line 1 required APL to either replace the acetylene welds on the entire line or shut it down.
4. APL's analysis found only one shipper had been transporting crude oil on Line 1, that the majority of its crude oil shipments were now made on Line 63, which runs parallel to Line 1, and that the cost to repair and operate the damaged line was uneconomical. Therefore, APL decided to shut down Line 1 in December 1997.
5. Vintage Petroleum, Inc., the only oil producer shipping on Line 1 before the earthquake, has found alternative means to transport its crude oil as it now transports its oil by truck.
6. APL's request was not protested by any shippers or oil producers, including Vintage Petroleum, Inc., the only shipper using Line 1 before the earthquake.
7. It is reasonable to grant APL's request.

### FINDINGS

1. APL filed AL No. 48 on June 18, 1998 requesting authority to remove from common carrier service its northern portion of Line 1 starting from its Kelly Pipe Station to its Tejon Pump Station and to cancel all related rate sheets.
2. APL's request is reasonable as repairs to the damaged line are uneconomical.

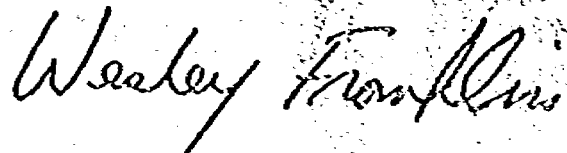
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3. Line 63, which runs parallel to Line 1, transports all of APL's crude oil shipments between APL's Kelly Pipe Station to its Tejon Pump Station.
4. The only shipper using Line 1 before the earthquake, Vintage Petroleum, Inc., has since found an alternative means to transport its crude oil.

**THEREFORE IT IS ORDERED THAT:**

1. Arco Pipe Line Company's request for approval of Advice Letter No. 48 is granted.
2. This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on September 3, 1998, the following Commissioners voting favorably thereon:



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WESLEY M. FRANKLIN  
Executive Director

RICHARD A. BILAS  
President  
P. GREGORY CONLON  
JESSIE J. KNIGHT, JR.  
HENRY M. DUQUE  
JOSIAH L. NEEPER  
Commissioners