PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

RESOLUTION

ENERGY DIVISION

RESOLUTION O-0030 NOVEMBER 5, 1998

RESOLUTION O-0030. ALL AMERICAN PIPELINE COMPANY (AAPL) SEEKS APPROVAL TO ABANDON ITS PENTLAND STATION, KERN COUNTY TO MOJAVE, KERN COUNTY PIPELINE SERVICE AND CANCEL EXISTING TARIFFS. APPROVED.

BY ADVICE LETTER NO. 3, DATED SEPTEMBER 16, 1998.

<u>SUMMARY</u>

1. By Advice Letter (AL) No. 3, All American Pipeline Company (AAPL) seeks approval to remove from common carrier service its Pentland Station, Kern County to Mojave, Kern County, pipeline service and cancel all existing tariffs covering this service.

2. No protests were received in this matter.

3. This resolution approves AL No. 3.

BACKGROUND

1. On September 16, 1998, AAPL filed AL No. 3 seeking to remove from common carrier service its Pentland Station, Kern County to Mojave, Kern County pipeline service and cancel all existing tariffs covering this service.

2. The pipeline service between Pentland Station and Mojave was established for the transportation of West Coast Heavy and/or Mojave Blend crude oil from AAPL's Pentland Station to Union Oil of California's (Unocal) tank farm and train loading facility at Mojave.

3. In 1997, TOSCO Corporation (TOSCO) purchased Unocal and now owns and operates the tank farm and train loading facility at Mojave.

4. On September 15, 1998, TOSCO signed a termination agreement releasing AAPL from any obligations under its agreement. Further, TOSCO released AAPL from any obligation to

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post or maintain an intrastate tariff between Pentland Station and Mojave. Finally, TOSCO does not object to AAPL filing for abandonment of the service between Pentland Station and Mojave.

5. TOSCO is no longer interested in using this pipeline service because it has entered into private arrangements to transport its crude oil.

6. Since the inception of AAPL's intrastate pipeline service, TOSCO was the only shipper taking service on AAPL's pipeline. No shipper, other than Unocal/TOSCO, has indicated any interest in the pipeline service.

7. AAPL does not foresee any other shipper shipping crude oil from Pentland Station to Mojave because the tank farm and train loading facilities at Mojave are proprietary and owned and controlled by TOSCO.

NOTICE

1. Notice of AL No. 3 was made by mailing copies to all known shippers and oil producers. Public notice of this filing has been made by publication in the Commission's Calendar.

PROTEST

1. No protests were received in this matter.

DISCUSSION

1. Advice letter No. 3 should be approved because the only shipper using AAPL's pipeline, TOSCO, has made alternate arrangements for disposition of its crude oil and no longer needs to use this pipeline service.

2. The pipeline service between Pentland Station and Mojave was established for the transportation of West Coast Heavy and/or Mojave Blend crude oil from AAPL's Pentland Station to Union Oil of California's (Unocal) tank farm and train loading facility at Mojave.

3. Since the inception of AAPL's intrastate pipeline service, TOSCO was the only shipper taking service on AAPL's pipeline. Other than Unocal/TOSCO, no shipper has indicated any interest in the pipeline service.

4. AAPL states it does not foresee any other shipper shipping crude oil from Pentland Station to Mojave because the tank farm and train loading facilities at Mojave are proprietary and owned and controlled by TOSCO.

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1. AAPL filed AL No. 3 on September 16, 1998 seeking to remove from common carrier service its Pentland Station, Kern County to Mojave, Kern County pipeline.

2. The pipeline service between Pentland Station and Mojave was established for the transportation of West Coast Heavy and/or Mojave Blend crude oil from AAPL's Pentland Station to Union Oil of California's (Unocal) tank farm and train loading facility at Mojave

3. TOSCO has made alternate arrangements for disposition of its crude oil and no longer needs to use this pipeline service.

4. Other than Unocal/TOSCO, no shipper has indicated any interest in the pipeline service.

5. AAPL does not foresee any other shipper shipping crude oil from Pentland Station to Mojave because the tank farm and train loading facilities at Mojave are proprietary and owned and controlled by TOSCO.

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6. AAPL's request is reasonable.

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THEREFORE IT IS ORDERED THAT:

1. All American Pipeline Company's request for approval of Advice Letter No. 3 is approved.

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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 November 5, 1998. The following Commissioners voting favorably thereon:

Wesley Frank

WESLEY M. FRANKLIN Executive Director

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