

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

**RESOLUTION O-0031
JANUARY 20, 1999**

RESOLUTION O-0031. CHEVRON PIPELINE COMPANY (CPL) SEEKS APPROVAL TO WITHDRAW FROM SERVICE OF ITS PIPELINE WHICH ORIGINATES FROM CHEVRON U.S.A.'s MIDDLE STATION (KERN COUNTY) TO ITS JUNCTION WITH PRIVATE CARRIER'S 12-INCH AREA GATHERING PIPELINE IN SEC. 34, T.27S, R.20E, (KERN COUNTY). APPROVED.

BY ADVICE LETTER NO. 21, FILED ON NOVEMBER 16, 1998.

SUMMARY

1. By Advice Letter (AL) No. 21, Chevron Pipeline Company (CPL) seeks approval to withdraw from service its pipeline which originates from Chevron U.S.A.'s Middle Station (Kern County) to its Junction with Private Carrier's 12-inch Area Gathering Pipeline in Sec. 34, T.27S, R.20E, (Kern County).
2. No protests were filed on this matter.
3. This resolution approves AL No. 21.

BACKGROUND

1. On November 16, 1998, CPL filed AL No. 21 seeking to withdraw from service its pipeline which originates from Chevron U.S.A.'s Middle Station (Kern County) to its Junction with Private Carrier's 12-inch Area Gathering Pipeline in Sec. 34, T.27S, R.20E, (Kern County)
2. The portion of pipeline withdrawn from service was last used by Chevron USA on October 10, 1998 and has not been in use since.
3. CPL states that the reason for withdrawal of this portion of the pipeline is because the sole shipper on the line, Chevron Products Company, has discontinued purchase of McDonald Anticline crude oil from Laymac and as of October 31, 1998 has no desire to ship on this line. This was done in anticipation of the start up of the Pacific Pipeline and the corresponding shutdown of the Estero system. Chevron Products Company states that it no longer has a need

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for this crude oil since it cannot be readily transported to the Pacific Pipeline system.

4. CPL does not foresee any other shipper shipping crude oil from its pipeline which originates from Chevron U.S.A.'s Middle Station (Kern County) to its Junction with Private Carrier's 12-inch Area Gathering Pipeline in Sec. 34, T.27S, R.20E, (Kern County) because the pipeline is proprietary and owned and controlled by Chevron.

NOTICE

1. Notice of AL No. 21 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. 21 should be approved because the only shipper using CPL's pipeline, Chevron Products Company, no longer needs crude oil shipped on this line.

2. The pipeline service was established for shipping McDonald Anticline crude oil from Laymac.

3. Since the inception of this pipeline service, Chevron Products Company was the only shipper taking service on CPL's pipeline.

4. CPL states it does not foresee any shippers shipping crude oil from its pipeline which originates from Chevron U.S.A.'s Middle Station (Kern County) to its Junction with Private Carrier's 12-inch Area Gathering Pipeline in Sec. 34, T.27S, R.20E, (Kern County) because the pipeline is proprietary and owned and controlled by Chevron.

FINDINGS

1. CPL filed AL No. 21 on November 16, 1998 seeking to withdraw from service its pipeline which originates from Chevron U.S.A.'s Middle Station (Kern County) to its Junction with Private Carrier's 12-inch Area Gathering Pipeline in Sec. 34, T.27S, R.20E, (Kern County).

2. The pipeline service was established for shipping McDonald Anticline crude oil from

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Laymac.

3. CPL states it does not foresee any shippers shipping crude oil on this pipeline because the pipeline is proprietary and owned and controlled by Chevron.
4. CPL's request is reasonable.
5. Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.
6. All parties in the proceeding have stipulated to waive the 30-day waiting period required by PU Code section 311(g)(1) and the opportunity to file comments on the draft decision. Accordingly, this matter will be placed on the Commission's agenda directly for prompt action.

THEREFORE IT IS ORDERED THAT:

1. Chevron Pipeline Company's request for approval of Advice Letter No. 21 is approved.
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 January 20, 1999. The following Commissioners voting favorably thereon:



WESLEY M. FRANKLIN
Executive Director

RICHARD A. BILAS
President
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners