

PUBLIC UTILITIES COMMISSION

550 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



Telephone No. (415) 703-1822

June 7, 1996

Advice Letter No. 2

Robert B. McLennan  
Standard Pacific Gas Line, Inc.  
77 Beale Street  
San Francisco, CA 94106

Subject:  
Submits Management and  
Operating Agreement  
between Stanpac, Chevron,  
and PG&E

Dear Mr. McLennan:

We are returning one copy of the approved tariff sheets with  
the file date and effective date of May 21, 1996, as shown  
thereon, for your records.

Very truly yours,

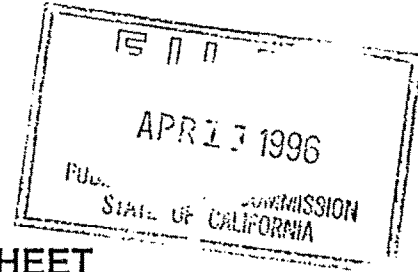
*K. P. Coughlan*  
KEVIN P. COUGHLAN, Chief, Energy Branch

*En* Commission Advisory and Compliance Division

Enclosures

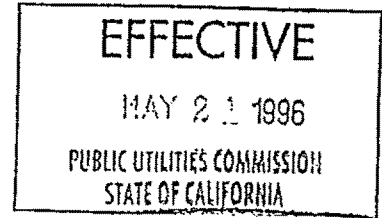
RATES DEPARTMENT		
Tariffs		
DGC	JPC	<del>SS</del>
DHH		LKM
EAB		AS
KB	JUN 13 1996	
		RRA
FYI _____	Records _____	
Return to _____	File _____	
Note: _____		
cc to _____		
Last-Recycle _____		

Standard Pacific Gas Line Incorporated



ADVICE LETTER SUMMARY SHEET

ADVICE NO. 2



DATE FILED: (TO BE ENTERED BY CPUC)

DESCRIPTION OF TARIFF CHANGES REQUESTED:

Management and Operating Agreement between  
Stanpac, PG&E and Chevron

REQUESTED EFFECTIVE DATE:

May 21, 1996

# STANDARD PACIFIC GAS LINE INCORPORATED

77 BEALE STREET

SAN FRANCISCO, CALIFORNIA 94106

April 11, 1996

PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

Re: ADVICE No. 2

Standard Pacific Gas Line Incorporated (Stanpac), a private, non-profit corporation, hereby submits for filing the new Stanpac System Management and Operating Agreement (Agreement), executed March 28, 1996, by and between Stanpac and its owners, Pacific Gas and Electric Company (PG&E) and Chevron U.S.A. Inc. (Chevron). This advice filing is being made pursuant to Resolution (R.) L-234, dated December 4, 1985, wherein the Commission asserted jurisdiction over Stanpac.

Stanpac owns and operates a gas transmission pipeline system extending from Sherman Island in the East Rio Vista Gas Field to San Pablo Station in Contra Costa County, California. PG&E and Chevron produce or otherwise obtain natural gas at Rio Vista and other points in California connected to the Stanpac system, for shipping to the San Francisco Bay Area and other intermediate points along Stanpac's system. PG&E has a six-sevenths ownership share of Stanpac pipeline carrying capacity and Chevron has a one-seventh ownership share.

The Agreement replaces and supersedes two prior agreements in order to consolidate and clarify operational and management procedures: 1) the Transportation Agreement, dated October 16, 1951, which set forth the terms and conditions under which Stanpac transported and delivered gas on behalf of its owners, and 2) the Organization and

Management Agreement, dated January 9, 1961.<sup>1/</sup> The Agreement filed herein as Attachment II replaces the Preliminary Statement and 1951 Transportation Agreement filed as Schedule X-1 in Stanpac's Advice No.1, dated August 22, 1986. Attachment I shows the canceled tariff sheets.

The new Agreement reflects the current ownership arrangement and the current configuration of the Stanpac pipeline system. In addition, the Agreement revises the methodology for calculating each owner's share of carrying capacity given the different carrying capacities of different sections of the pipeline system, simplifies the method for calculating unaccounted for gas, creates a Management Committee, and brings gas quality requirements in line with contemporary standards. The Agreement does not alter the method for calculating the transportation charges paid by the owners, which are equivalent to each owner's ownership share multiplied by Stanpac's total operating, maintenance and depreciation costs.

Stanpac has existed since 1928, and has continuously provided gas transportation services exclusively for its owners. Stanpac was unregulated until 1954, when it became subject to the jurisdiction of the Federal Power Commission and its successor, the Federal Energy Regulatory Commission (FERC). Following issuance of R. L-234, Stanpac received approval from FERC for a Hinshaw exemption from federal regulation, pursuant to Section 1 (c) of Natural Gas Act (15 U.S.C. Section 717 (c)).

Stanpac requests that this filing be approved on regular notice, on May 21, 1996, which is 40 days after the date of this filing. In accordance with Section III, Paragraph G,

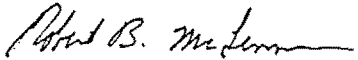
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<sup>1/</sup> The 1951 Transportation Agreement and the 1961 Organization and Management Agreement were executed by Stanpac, PG&E, Standard Oil Company of California (Chevron's corporate predecessor) and Coast Counties Gas and Electric Company (a former owner of Stanpac, which was acquired by PG&E).

California Public Utilities Commission  
April 11, 1996  
Page 3

of General Order 96-A, Stanpac is mailing copies of this  
advice letter to PG&E and Chevron.

Very truly yours,



ROBERT B. MCLENNAN  
Attorney

Attachments

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## PROPOSAL/ADVICE LETTER SUMMARY

COMPANY NAME:	<u>STANDARD PACIFIC GAS LINE INC.</u>
TYPE OF UTILITY*:	CPUC CORP. ID: _____
<input type="checkbox"/> LEC <input type="checkbox"/> IEC <input type="checkbox"/> CER <input type="checkbox"/> CEC <input type="checkbox"/> RTU <input type="checkbox"/> WTA <input type="checkbox"/> WTB <input type="checkbox"/> WTC <input type="checkbox"/> WTD <input type="checkbox"/> SWR <input checked="" type="checkbox"/> GAS <input type="checkbox"/> STM <input type="checkbox"/> ELC <input type="checkbox"/> PLC	CONTACT PERSON: Name <u>Robert B. McLennan</u> Phone Number <u>973-2069</u>

**\*EXPLANATION OF TYPE OF UTILITY:**

LEC = Local Exchange Carrier	WTC = Water class C
IEC = Interexchange Carrier	WTD = Water class D
CER = Cellular Resellers Only	SWR = Sewer
CEC = Cellular Carriers (wholesale/retail)	GAS = Gas
RTU = Radio Telephone Utilities	STM = Steam
WTA = Water class A	ELC = Electric
WTB = Water class B	PLC = Pipeline carrier

**DATE FILED/RECEIVED**  
*(stamp by CPUC)*

Please fill in ALL information

Is this a PROPOSAL or ADVICE LETTER?		Your filing Number: <u>2</u>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	→ If Proposal previously submitted, its number: _____	
Documents Authorizing this filing? <u>Resolution L-234</u>			
(Decision Number, Resolution Number, Legislation, etc.)			
Effective Date Requested:	<u>05-21-96</u>	Estimated annual effect on:	\$ _____ \$ _____
Number of Tariff Sheets:	<u>none</u>	(Revenue)	(Cost)
Tariff Schedules affected (list): <u>none</u>			
Subject of filing: <u>Submits Management and Operating Agreement between Stanpac, Chevron and PG&amp;E</u>			
KEYWORDS identifying subject matter (choose from CPUC listing)			
<u>AGREEMENT</u>			
<u>TRANSPORTATION</u>			

FOR CPUC OFFICE USE ONLY

Standard Pacific Gas Line, Inc.

ATTACHMENT I  
ADVICE No. 2

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Cancelling Cal P.U.C. Sheet No.</u>
--	Table of Contents	1
--	Preliminary Statement	2
--	Rate Schedule X-1--Transportation Agreement	3
--	Rate Schedule X-1 (Cont'd)	4
--	Rate Schedule X-1 (Cont'd)	5
--	Rate Schedule X-1 (Cont'd)	6