

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-3020
DECEMBER 16, 1992

R E S O L U T I O N

RESOLUTION G-3020. CALNEV PIPE LINE COMPANY REQUESTS AUTHORITY TO; INCREASE DEMURRAGE CHARGES, IMPOSE A LATE PAYMENT FEE ON OVERDUE ACCOUNTS, ADD TWO NEW DESTINATION POINTS, AND REVISE LANGUAGE TO CONFORM WITH THE LANGUAGE IN TARIFFS FILED WITH THE FEDERAL ENERGY REGULATORY COMMISSION.

BY ADVICE LETTER 8. FILED ON OCTOBER 21, 1992.

SUMMARY

1. Calnev Pipe Line Company (CANV) requests authority to; increase demurrage charges imposed from one (1) cent per barrel per day to five (5) cents per barrel per day after the owner of petroleum products receives a notice from CANV to remove their material, impose a late payment fee of one and one-half percent (1 1/2%) per month on over due bills, add two additional destination points, Yermo and Baker, both located in San Bernardino County, California and revise language to conform with the language in tariffs filed with the Federal Energy Regulatory Commission (FERC).
2. The first two requested items require the formal approval of the Commission, the last two requested items could have been approved without formal Commission approval.
3. This Resolution grants the request.

BACKGROUND

1. CANV provides pipeline service for refinery products from Colton, San Bernardino County, California to Las Vegas, Nevada, and to intermediate points Adelanto and Barstow in California. Only shipments starting and ending in California are under the regulation of the Commission. Shipments to Las Vegas, Nevada are regulated by the Federal Energy Regulatory Commission (FERC).

NOTICE:

1. Public notice of this filing has been made by publication in the Commission's calendar on August 26, and by mailing copies to adjacent utilities.

PROTESTS

1. No protests to this filing have been received by the Commission Advisory and Compliance Division (CACD).

DISCUSSION

1. Demurrage charges are imposed when a shipper does not remove their material from the facilities of the transporter on a timely basis. If the material is not removed on a timely basis the utility transporting the material can not use its facilities for the transportation of additional material, denying the use of the pipeline to other shippers of petroleum products.

2. CANV will permit a shipper to store an average of ten (10) days shipment of material before sending the shipper an EVACUATION NOTICE. When a shipper receives an Evacuation Notice any excess material not removed from the shippers terminal storage tanks will be subject to a demurrage charge of five (5) cents per barrel per day until removed. CANV will permit shippers to store material on a first in first out basis without imposition of the demurrage charge if there is available storage capacity not needed by CANV for its operations within the next ten (10) days.

3. The Commission has permitted the imposition of late payment charges by the utilities which it regulates. The other pipeline carriers are authorized to assess a late payment charge at the maximum legal rate (currently ten per cent [10%]) ten (10) calendar days after the date of the invoice for the service provided. CANV is proposing to implement its late payment charges of one and one-half per cent (1 1/2%) per month twenty (20) days after the date of the billing invoice. CANV will provide twice the length of time period of FCPL before imposing its late payment charges.

4. The addition of two new destination points Yermo and Baker, both located in San Bernardino County, California being a service not previously provided, do not require formal Commission approval to be implemented.

5. Minor changes in language which will result in similar language in FERC tariffs and Commission tariffs, and do not result in increased charges to or more restrictive conditions being imposed upon the customers, also does not require formal Commission approval to be implemented.

6. The Commission Advisory and Compliance Division recommends approval of this Resolution.

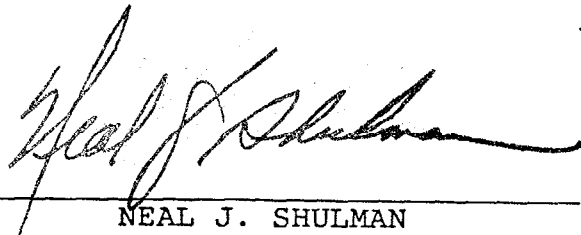
FINDINGS

1. To achieve maximum use of the pipe line by shippers it is reasonable to impose a demurrage charge on those who, by not promptly removing their shipped material, may deny other shippers an opportunity to use the pipe line.
2. To encourage the prompt payment of charges to a utility, it is reasonable to authorize the collection of a late collection charge.
3. It does not require formal action by the Commission for a utility to provide service not previously available, or to make minor language in its filed tariffs.

THEREFORE, IT IS ORDERED that:

1. Advice Letter 8 shall be marked to show that it, with the attached contract was approved by Commission Resolution G-3020.
2. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on December 16, 1992. The following Commissioners approved it:



NEAL J. SHULMAN

Executive Director

DANIEL Wm. FESSLER
President
JOHN B. OHANIAN
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners