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Decision 97-12-069 December 16, 1997

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Rulemaking on the Commission's Own Motion into Implementation of Public Utilities Section 455.3, Which Revises the Manner in Which Oil Pipeline Corporations May Change Rates.

R.97-08-003
(Filed August 1, 1997)

**OPINION ADOPTING MODIFICATION TO GENERAL ORDER 96-A
TO CONFORM IT TO PUBLIC UTILITIES CODE § 455.3**

Summary

On August 1, 1997, we initiated this rulemaking and sought comment on proposed modifications to the rules and regulations governing the terms under which oil pipeline corporations may change and use rates. Our proposed revisions were intended to bring Section VI of General Order 96-A into compliance with Public Utilities Code § 455.3. Comments were due September 22, 1997, and reply comments were due October 2, 1997.¹

We received very little comment on our proposed revisions. Only ARCO Pipe Line Company (ARCO) filed comment. ARCO supports our revisions without recommendations for change.

The proposed modifications appropriately conform our regulation of how oil pipeline corporations may seek rate changes to Public Utilities Code § 455.3. We adopt, unchanged, the modification to Section VI of General Order 96-A we initially proposed.

¹ The due dates that appeared in the rulemaking were extended by an August 11, 1997, letter from the Executive Director, pursuant to the authority granted him by Rule 48(b) of the Commission's Rules of Practice and Procedure. The extension was warranted by a delay in the mailing of the rulemaking after its adoption.

Findings of Fact

1. On August 1, 1997, we adopted this rulemaking and sought comment on proposed modifications to the rules and regulations governing the terms under which oil pipeline corporations may change and use rates.
2. Comments on the proposed modifications were due September 22, 1997, and reply comments were due October 2, 1997.
3. Only ARCO filed comment. ARCO supports our revisions without recommendations for change.

Conclusions of Law

1. The proposed modifications appropriately conform our regulation of how oil pipeline corporations may seek rate changes to Public Utilities Code § 455.3.
2. We should adopt, unchanged, the modification to Section VI of General Order 96-A we initially proposed.
3. This order should be effective immediately to meet the intent of the Legislature.
4. This proceeding should be closed.

O R D E R

IT IS ORDERED that:

1. General Order 96-A, Section VI, *Procedure in Filing Increased Rates*, shall be modified to incorporate, at the end of Section VI, the following additional paragraphs:

The above procedures do not apply to oil pipeline corporations, which are exempted by Public Utilities Code Section 455.3. Oil pipeline corporations shall adhere to the following rules, in accordance with Public Utilities Code Section 455.3:

Oil pipeline corporations shall be required to give the Commission and all shippers no less than 30 days' notice of rate changes. After the 30-day notice of rate change, oil pipeline corporations shall be permitted to change rates and use those rates prior to Commission approval. The Commission shall have the

authority to suspend a rate change and use of the changed rate for a period of time not to exceed 30 days from expiration of the 30-day notice period. Any increase in the shipping rate charged by an oil pipeline corporation prior to Commission approval shall not exceed ten percent per 12-month period. The Commission shall determine the appropriateness of allowing retroactive charge and collection of subsequently approved rate increases above ten percent. Oil pipeline corporations shall be permitted to use new rates after the period of the suspension of a rate change, if any, by the Commission, prior to Commission approval. Any disallowed portion of the new rate shall be fully refunded with interest.

2. Rulemaking 97-08-003 is closed.

This order is effective today.

Dated December 16, 1997, at San Francisco, California.

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