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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

**Application of WICKLAND PIPELINES
LLC (PLC27) for Authorization to
Establish Market-Based Rates and
Conditions of Service and for Approval of
Exemptions under Sections 818 and 851 or,
alternatively, Authorization to Increase
Membership Contributions and Debt Limits
and to Encumber Utility Property**

Application No. 10-04-027

(Filed April 23, 2010)

**MOTION OF WICKLAND PIPELINES LLC
FOR EXPEDITED DECISION AND ORDER ON APPLICATION**

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Attorney for Wickland Pipelines LLC

Dated: June 2, 2010

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of WICKLAND PIPELINES LLC (PLC27) for Authorization to Establish Market-Based Rates and Conditions of Service and for Approval of Exemptions under Sections 818 and 851 or, alternatively, Authorization to Increase Membership Contributions and Debt Limits and to Encumber Utility Property

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I. INTRODUCTION

Pursuant to Rule 11.1 of the Rules of Practice and Procedure of the California Public Utilities Commission (“**Commission**”) Wickland Pipelines LLC (“**Wickland Pipelines**” or “**Applicant**”) hereby moves for an expedited decision and order granting Applicant’s requests for Commission authorization and relief set forth in Application No. 10-04-027 (the “**Application**”).

II. PROCEDURAL STATUS

Wickland Pipelines filed its Application on April 23, 2010, and the Commission published notice of the Application in the Commission’s Daily Calendar on April 28, 2010. The 30-day period provided under Rule 2.6 of the Commission’s Rules of Practice and Procedure for the filing of timely protests or responses to the Application has run, and no protest or response has been filed and served. Accordingly, there is no need for a hearing, or prehearing conference, and the Commission can proceed to a decision on the basis of the Application.

III. AN EXPEDITED DECISION IS IN THE PUBLIC INTEREST

Applicant’s proposal to develop a petroleum fuel pipeline (the “**SJC Pipeline**”) to provide additional common carriage services to airlines at the Mineta San Jose International Airport (“**SJC**”) is in the public interest. The proposed pipeline transportation service would afford the airline shippers a rate-competitive alternative to their existing truck transportation option, and thus improve the reliability and economics of their fuel supplies, while benefiting the environment and improving public safety protection in connection with the delivery of jet fuel to SJC. The following objectives for the SJC Pipeline are set forth in the Initial Study adopted by the City of San Jose.¹

1. To Decrease Traffic Congestion –

Once in operation, the SJC Pipeline will eliminate jet fuel tanker truck traffic to the Airport. This applies to both the current truck trips per day, as well as all truck traffic associated with any increase in jet fuel demand at the Airport in the future. This will remove a significant amount of commercial traffic from public streets and highways.

2. To Reduce Jet Fuel Prices at Airport –

The SJC Pipeline will enable any Bay Area refiner or fuel importer to competitively bid on supplying jet fuel to the Airlines at the Airport and allow fuel delivery through common carrier pipelines regulated by the CPUC. Over the long term, pipeline transportation costs for the Airport will be lower than truck deliveries.

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¹ Initial Study (Revised) at p. 2-3. The Initial Study and Mitigated Negative Declaration adopted by the City Council of the City of San Jose are included as Exhibit D to the Application.

3. To Decrease Air Pollution, Including Carbon Emissions –

The SJC Pipeline will avoid the mobile source emissions produced by tanker truck deliveries of jet fuel to SJC.

4. To Decrease Energy Consumption --

The SJC Pipeline will avoid the consumption of diesel fuel by the tanker trucks otherwise delivering jet fuel to the SJC.

5. To Increase Safety --

According to both the National Transportation Safety Board and the California State Fire Marshal, petroleum pipelines are by far the safest method of overland petroleum transportation. A Hazardous Liquid Pipeline Risk Assessment completed by the California State Fire Marshal in 1993 compared and contrasted various modes of petroleum product transportation over a ten year period and concluded, after adjusting for petroleum volumes shipped, that truck transportation results in 300 times more fatalities than pipelines. Eliminating the daily tanker truck deliveries to SJC therefore will increase safety in connection with the delivery of jet to SJC.

6. To Decrease Risk of Oil Spills and Related Damage --

Historically, according to Safety of Interstate Liquid Pipelines: An Evaluation of Present Levels and Proposals for Change by Michael Rusin and E. Savvides Gellerson (1987 American Petroleum Institute, Washington D.C.), liquid pipelines exhibit a far lower "damage rate" than tanker truck transportation. The damage rate assessment compared the tons per miles traveled to the historical costs associated with petroleum related accidents.

Among the conclusions set forth in the City's Initial Study are: (1) The project would result in the elimination of 76 truck trips per day that deliver jet fuel to SJC under existing

conditions;² and (2) the proposed project, if designed, constructed, and installed according to all relevant regulations, would reduce the current public health and safety hazards associated with transporting the subject fuel via tanker truck.³

In addition to the foregoing economic, environmental and safety benefits, the SJC Pipeline will significantly increase security at the jet fuel storage terminal at the SJC Airport. The Station Manager of the terminal, George Mencarelli, explains in his Declaration attached hereto as **Exhibit A** that one of the generalized concerns that the U.S. Department of Homeland Security has with all airport fuel facilities is the extent to which non-operating personnel and guests have access to secure areas. He further relates that truck delivery of jet fuel requires ongoing access of this nature, and is not the preferred method of transporting jet fuel into airport storage terminals. Mr. Mencarelli notes that truck delivery of jet fuel requires that he establish and maintain security clearance for each truck and truck driver, as well as the companies operating the trucks. Once operational, the SJC Pipeline will eliminate the need for tanker truck deliveries, drastically reducing the number of outside visitors accessing the SJC jet fuel terminal secure area, and thereby substantially increasing terminal security and safety.

As is explained in Declaration of Roy L. Wickland, attached hereto as **Exhibit B**, if Applicant is able to commence construction of the proposed pipeline by mid-August 2010, Applicant expects to be able to complete construction and place the pipeline into service in 2010. On the other hand, if the start of construction is substantially delayed beyond mid-August, there is a corresponding risk that the commencement of service may be delayed by as much as a year by seasonal factors including weather and biological resource protection measures.

² Initial Study (Revised) at p. 3-8.

³ *Id.* at pp. 3-34 to 3-35.

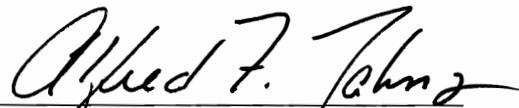
The financing authorization exemptions, or alternative Commission authorization of Applicant's proposed financing arrangements, and the market-based tariff structure proposed by Applicant are all reasonable arrangements consistent with Applicant's proposed undertaking as a public utility pipeline corporation. The public interest will be served by the Commission's authorization of those arrangements. An expedited decision and order granting the Application in August 2010, if placed in immediate effect, will allow the economic, environmental, safety and security benefits that will result from the proposed SJC Pipeline to be realized up to a year sooner than a later decision by the Commission may allow. Granting Applicant's request for an expedited decision is therefore clearly in the public interest.

IV. CONCLUSION

For the reasons set forth above, Wickland Pipelines requests that the Commission issue an expedited decision and order, effective upon issuance, not later than the Commission's business meeting scheduled for August 12, 2010 granting the requests for authorizations and relief set forth in the Application.

Respectfully submitted,

ALFRED F. JAHNS
Attorney At Law



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EXHIBIT A

DECLARATION OF GEORGE MENCARELLI

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of WICKLAND PIPELINES LLC (PLC27) for Authorization to Establish Market-Based Rates and Conditions of Service and for Approval of Exemptions under Sections 818 and 851 or, alternatively, Authorization to Increase Membership Contributions and Debt Limits and to Encumber Utility Property

Application No. 10-04-027

(Filed April 23, 2010)

**DECLARATION OF GEORGE MENCARELLI
IN SUPPORT OF MOTION OF WICKLAND PIPELINES LLC
FOR EXPEDITED DECISION AND ORDER ON APPLICATION**

I, George Mencarelli, declare:

1. I make this declaration in support of the Motion of Wickland Pipelines LLC (“Wickland Pipelines”) for an expedited decision and order granting the requests for authorizations and relief set forth in Application No. 10-04-027.
2. I am employed by Swissport Fueling, Inc., a Delaware corporation. The Swissport group of companies provides various ground services, including fuel terminal operation and management, at over 170 airports throughout the world.
3. I am the Station Manager of the jet fuel storage terminal (the “Terminal”) located at 2500 Seaboard Avenue in San Jose, California. As Station Manager, I have primary responsibility for overseeing and supervising the operation of the Terminal.
4. The Terminal is owned by SJC Fuel Company LLC (“SJC Fuel Company”), a Delaware limited liability company, and is situated on property leased by SJC Fuel Company from the City of San Jose.

5. SJC Fuel Company is owned by most of the commercial airline companies operating out of the Mineta San Jose International Airport (“SJC”). SFI operates and manages the Terminal on a contract basis on behalf of SJC Fuel Company.

6. The Terminal is adjacent to SJC, and directly supplies jet fuel to the various commercial airlines flying in and out of the airport.

7. Currently, the Terminal receives jet fuel via tanker truck. Each delivery truck must enter the secure area of the Terminal. As a result of this fact, SFI must establish and continuously maintain security clearance for each truck and truck driver, as well as for the companies operating the trucks.

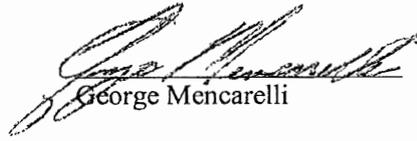
8. The U.S. Department of Homeland Security (“Homeland Security”) has jurisdiction over Terminal security. One of the generalized concerns that Homeland Security has regarding all airport terminals and fueling facilities is the extent to which non-operating personnel and guests have access to secure areas. Truck deliveries of jet fuel require ongoing access of this nature, and therefore are not the preferred method for transporting jet fuel into airport storage terminals.

9. It is my understanding that Wickland Pipelines is in the process of permitting, and thereafter plans to construct, a common carrier jet fuel delivery pipeline to connect the Terminal to the existing SFPP San Jose petroleum products pipeline terminal located at 2150 Kruse Drive. Once operational, this pipeline will eliminate the need for tank trucks to deliver jet fuel to the Terminal. This will drastically reduce the number of outside visitors accessing the Terminal secured area, significantly increasing Terminal security and safety.

10. Any delay in the completion of Wickland Pipeline's common carrier jet fuel pipeline lengthens the time during which the Terminal is required to operate at a less than optimum level of safety and security.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 1st day of June 2010 in San Jose, California.



George Mencarelli

EXHIBIT B

DECLARATION OF ROY L. WICKLAND

**BEFORE THE PUBLIC UTILITIES COMMISSION
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**DECLARATION OF ROY L. WICKLAND
IN SUPPORT OF MOTION OF WICKLAND PIPELINES LLC
FOR EXPEDITED DECISION AND ORDER ON APPLICATION**

I, Roy L. Wickland, declare:

1. I am the Managing Member of Wickland Pipelines LLC (“Wickland Pipelines”) and have first-hand knowledge of the matters set forth in my declaration.
2. I make this declaration in support of the Motion of Wickland Pipelines for an expedited decision and order granting the requests for authorizations and relief set forth in Application No. 10-04-027.
3. Wickland Pipelines has applied for and anticipates receiving from the Planning Commission of the City of San Jose a conditional use permit authorizing construction of the Mineta San Jose Airport fuel pipeline (the “SJC Pipeline”) on or before June 23, 2010.
4. The construction of the SJC Pipeline is expected to take up to 90 days, even utilizing multiple directional drilling crews as planned.
5. Under the mitigation requirements included in the Mitigated Negative Declaration

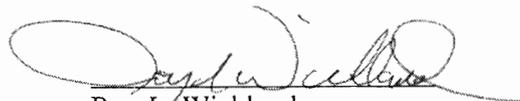
5. Under the mitigation requirements included in the Mitigated Negative Declaration adopted by the City Council of the City of San Jose on April 20, 2010, the optimal construction window from the standpoint of protecting potentially affected biological resources is from September 1 to February 15 (see Application, Exhibit D, Mitigated Negative Declaration at Sections IV.B and IV.C). Construction activities outside potentially affected biological resource habitat areas can be safely initiated prior to September 1.

6. For large-diameter pipeline trenching and directional drilling it is generally considered risky to plan construction beyond mid-November in Northern California, because the typical frequency of rains thereafter can result in prohibitively expensive construction activity halts.

7. The optimal construction window for the SJC Project is therefore from mid-August to mid-November.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 1st day of June 2010 in Sacramento, California.

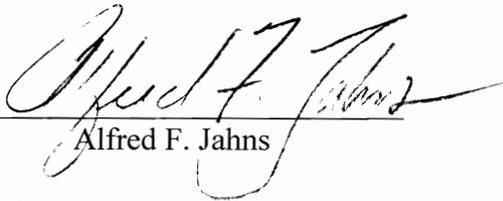

Roy L. Wickland

CERTIFICATE OF SERVICE

I hereby certify that I have this day re-served by electronic mail each person named on the attached official service list, in accordance with Rules 1.9 and 1.10 of the Commission's Rules of Practice and Procedure, with the MOTION OF WICKLAND PIPELINES LLC FOR EXPEDITED DECISION AND ORDER ON APPLICATION, dated June 2, 2010.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on June 3, 2010 at Sacramento, California.


Alfred F. Jahns

***** SERVICE LIST *****

Last Updated on 03-JUN-2010 by: AMT
A1004027 LIST

***** PARTIES *****

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***** INFORMATION ONLY *****