

**DRAFT**

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

**ENERGY DIVISION**

**I.D. # 7617**

**RESOLUTION O-0048**

**June 12, 2008**

**R E S O L U T I O N**

**Resolution O-0048. Pacific Pipeline System LLC (PPS) files tariffs to increase rates on its Line 63, pursuant to Decision (D.) 07-03-038. The rate increase is approved. In violation of D.07-03-038, PPS failed to file its tariffs in a timely manner. PPS is fined \$500.**

**By PPS Advice Letter 32 filed on March 11, 2008**

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**SUMMARY**

This resolution approves the rates filed with PPS Advice Letter (AL) 32. These rates were authorized in D.07-03-038.

This resolution also penalizes PPS \$500 for violating Ordering Paragraph (OP) 2 of D.07-03-038, which ordered PPS to file an advice letter within 21 days to conform its tariffs to the authorized rates.

**BACKGROUND**

D. 07-03-038, effective March 15, 2007, authorized PPS to increase its rates by 9.5%, effective November 6, 2006, to compensate for declining shipments of crude oil on its Line 63. OP 2 of that decision ordered PPS to file an advice letter 21 days from the effective date of that decision to conform its tariffs to the authorized rates.

PPS finally filed the required advice letter, AL 32, on March 11, 2008. PPS states the new rates were put into effect, and acknowledges that the required tariff sheets were not previously filed with the Commission. PPS explains that D.07-03-038 became effective shortly after Plains All American Pipeline acquired PPS and the official filing of tariff sheets was overlooked in the transition. PPS apologizes for their oversight and seeks to correct it by filing AL 32 including the revised tariff sheets.

## **NOTICE**

Notice of AL 32 was made by publication in the Commission's Daily Calendar. PPS states that a copy of the Advice Letter was mailed and distributed in accordance with General Order 96-B.

## **PROTESTS**

No protest was filed.

## **DISCUSSION**

The rates filed with AL 32 are authorized by D.07-03-038.

However, that decision ordered PPS to file an advice letter within 21 days of the effective date of the decision to conform their tariff with the approved rates. PPS failed to file the required AL for nearly a year after the decision was issued, and it charged its customers rates that were not stated in their tariff filed with the Commission.

Public Utilities (PU) Code 2107 states:

“2107. Any public utility which violates or fails to comply with any provision of the Constitution of this state or of this part, or which fails or neglects to comply with any part or provision of any order, decision, decree, rule, direction, demand, or requirement of the commission, in a case in which a penalty has not otherwise been provided, is subject to a penalty of not less than five hundred dollars (\$500), nor more than twenty thousand dollars (\$20,000) for each offense.”

PPS clearly failed to comply with a Commission order, and its filing is extremely late. It is also clear that rates were charged that weren't officially stated in the PSS tariff. On the other hand, the rate increase was authorized by the Commission, and the rates that have been charged became effective on the same date authorized in D.07-03-038. Although the Commission could fine PPS as much as \$20,000 due to the extreme lateness of their AL filing, under the circumstances, the Commission finds it reasonable to only fine PPS the minimum penalty of \$500.

PU Code sec. 2104 states:

“All fines and penalties recovered by the state in any action, together with the costs thereof, shall be paid into the State Treasury to the credit of the General Fund.”

We will order PPS to submit a check for \$500 payable to the State Treasury to the credit of the General Fund.

### **COMMENTS**

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.

The 30-day comment period for the draft of this resolution was neither waived or reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

### **FINDINGS**

1. PPS filed AL 32 in response to OP 2 of D.07-03-038.
2. The rates filed with AL 32 were authorized in D.07-03-038.
3. PPS neglected to make a timely submittal of tariff sheets in compliance with D.07-03-038.
4. PPS charged its customers rates that were not stated in their tariff.
5. PPS submitted AL 32 to correct its oversight, and explained that D.07-03-038 became effective shortly after Plains All American Pipeline, L.P. acquired PPS and that the filing of tariff sheets was overlooked.

6. It is reasonable to penalize PPS a minimum penalty of \$500.

**THEREFORE IT IS ORDERED THAT:**

1. PPS's Advice Letter 32 is approved.
2. Because of its failure to timely submit revised tariff sheets in compliance with D.07-03-038, PPS shall pay a penalty of \$500 to the State Treasury to the credit of the General Fund.

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 June 12, 2008, the following Commissioners voting favorably thereon:

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Paul Clanon  
Executive Director

**PUBLIC UTILITIES COMMISSION**

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



May 12, 2008

I.D.# 7617  
RESOLUTION O-0048  
Commission Meeting June 12, 2008

TO: PARTIES TO PACIFIC PIPELINE SYSTEM ADVICE LETTER NO 32

Enclosed is draft Resolution Number O-0048 of the Energy Division. It will be on the agenda at the next Commission meeting, which is held at least 30 days after the date of this letter. The Commission may then vote on this Resolution or it may postpone a vote until later.

When the Commission votes on a draft Resolution, it may adopt all or part of it as written, amend, modify or set it aside and prepare a different Resolution. Only when the Commission acts does the Resolution become binding on the parties.

Parties may submit comments on the draft Resolution.

An original and two copies of the comments, with a certificate of service, should be submitted to:

Honesto Gatchalian  
Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Fax: 415-703-2200

A copy of the comments should be submitted in electronic format to:

Maurice Monson and Richard Myers  
Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Email: [mdm@cpuc.ca.gov](mailto:mdm@cpuc.ca.gov) and [ram@cpuc.ca.gov](mailto:ram@cpuc.ca.gov)

Any comments on the draft Resolution must be received by the Energy Division by June 2, 2008. Those submitting comments must serve a copy of their comments on 1) the entire service list attached to the draft Resolution, 2) all Commissioners, and 3) the Director of the Energy Division, 4) the Chief Administrative Law Judge, and 5) the General Counsel on the same date that the comments are submitted to the Energy Division.

Comments shall be limited to five pages in length and should list the recommended changes to the draft Resolution.

Comments shall focus on factual, legal or technical errors in the proposed draft Resolution. Comments that merely reargue positions taken in the advice letter or protests will be accorded no weight and are not to be submitted.

Late submitted comments will not be considered.

Richard Myers, Program and Project Supervisor  
Energy Division

Enclosure: Service List  
Certificate of Service

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of Draft Resolution O-0048 on all parties in these filings or their attorneys as shown on the attached list.

Dated May 12, 2008 at San Francisco, California.

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*Honesto Gatchalian*

**NOTICE**

Parties should notify the Energy Division, Public Utilities Commission, 505 Van Ness Avenue, Room 4002 San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the Resolution number on the service list on which your name appears.

Service List for Resolution O-0048

Pacific Pipeline Systems LLC  
Attention: Allen Hebert  
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