

Decision 12-01-004 January 12, 2012

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Calnev Pipe Line LLC for authority, pursuant to Public Utilities Code Section 455.3, to increase its rates for intrastate pipeline transportation services.

Application 11-09-018
(Filed September 26, 2011)

DECISION GRANTING RATE INCREASE APPLICATION

Summary

We approve the application of Calnev Pipe Line LLC for authority to increase its rates for transportation of refined petroleum products by 9.99% effective November 1, 2011.

Discussion

Calnev Pipe Line LLC (Calnev) seeks approval to increase its rates and charges for transportation of refined petroleum products on its intrastate pipeline system by 9.99%, effective November 1, 2011. Pursuant to Pub. Util. Code § 455.3, oil pipeline corporations like Calnev may increase pipeline transportation rates upon 30-days' notice to the Commission and prior to Commission approval, provided that the proposed increase in shipping charges does not exceed 10% per 12-month period. Section 455.3 further provides the Commission with authority to suspend any such 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 of increase provided by the oil pipeline corporation. Finally, Section 455.3 allows the Commission to subsequently evaluate the reasonableness of any rate increase effected prior to Commission approval, to

disallow any portion of the rate increase that is ultimately deemed unreasonable, and to require refund of that portion of the increase found to be unreasonable.

The requested rate increase will raise Calnev's intrastate pipeline rates by approximately \$193,000 per year. There are no protests to the application. We find Calnev's rate request to be reasonable. Therefore, we approve the application.

Categorization and Need for Hearing

In ALJ Resolution 176-3282 adopted October 6, 2011 the proceeding was preliminarily categorized as ratesetting and it was preliminarily determined that hearings are necessary. We confirm the preliminary categorization but determine that hearings are not necessary in connection with an unopposed application for a rate increase of less than 10% made pursuant to Public Utilities Code Section 455.3.

Waiver of Comment Period

No protests were filed to the Application and no hearing was held. Today's decision grants the relief requested in an uncontested matter. Accordingly, pursuant to Rule 14.6(c)(2), the otherwise applicable 30-day period for public review and comment is waived.

Assignment of Proceeding

Mark J. Ferron is the assigned Commissioner and Karl Bemederfer is the assigned Administrative Law Judge for this proceeding.

Findings of Fact

1. A 9.99% increase in transportation rates for refined petroleum products will increase Calnev's revenues by approximately \$193,000 per year.
2. Calnev has given 30 days' notice of its intention to raise rates for transportation of refined petroleum products.

3. Calnev has not increased transportation rates for refined petroleum products for at least 12 months.

4. Calnev's rate request is reasonable.

5. There are no protests to the application.

Conclusions of Law

1. Calnev is an oil pipeline corporation as that term is defined in Public Utilities Code Section 455.3.

2. Oil pipeline corporations are authorized by Section 455.3 of the Public Utilities Code to increase transportation rates by up to 10% per 12-month period, subject to Commission review for reasonableness and potential refund to customers.

3. Calnev's proposed increase of 9.99% is authorized by the statute.

4. The application should be approved.

O R D E R

IT IS ORDERED that:

1. The application of Calnev Pipe Line LLC to increase its rates and charges for transportation of refined petroleum products by 9.99% effective November 1, 2011 is approved.

2. No hearings are necessary.

3. Application 11-09-018 is closed.

This order is effective today.

Dated January 12, 2012, at San Francisco, California.

MICHAEL R. PEEVEY

President

TIMOTHY ALAN SIMON

MICHEL PETER FLORIO

CATHERINE J.K. SANDOVAL

MARK FERRON

Commissioners