

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Chevron Products Company,

Complainant,

vs.

Equilon Enterprises LLC, doing business as Shell
Oil Products US and Shell Trading (US)
Company,

Defendants.

Case 05-12-004
(Filed December 5, 2005)

SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER

1. Introduction

Pursuant to Rule 6(b)(3) and 6.3 of the Commission's Rules of Practice and Procedure, this scoping memo confirms the category for this proceeding, designates the presiding officer, and sets forth the issues and schedule for hearing pursuant to a prehearing conference conducted on December 6, 2005, in Sacramento.

Case (C.) 05-12-004 was filed on December 5, 2005, by Chevron Products Company (Chevron). Chevron seeks a Commission order determining that a 265-mile long 20-inch heated pipeline running from the San Joaquin Valley to the Bay Area (the Shell Pipeline) is a public utility subject to the jurisdiction and rate-setting authority of this Commission. The Shell Pipeline is owned by Equilon Enterprises LLC, doing business as Shell Oil Products US and Shell Trading (US) Company (Equilon). Equilon denies that the Shell Pipeline is a public utility. By

ruling dated January 17, 2006, the motion of Tesoro Refining and Marketing Company (Tesoro) to intervene in this proceeding was granted.

2. Categorization of Proceeding; Presiding Officer

By notice dated December 15, 2005, C.05-12-004 was categorized as “Adjudicatory,” as defined in Rule 5(b) of the Rules of Practice and Procedure. An evidentiary hearing was deemed necessary.

The presiding officer for this proceeding is Administrative Law Judge (ALJ) Glen Walker.

3. Ex Parte Rules

The Commission’s ex parte rules applicable to this proceeding are set forth in Rules 7(c). These ex parte rules apply to all parties of record and, more broadly, to all persons with an interest in any substantive matter. The category of individuals subject to our ex parte rules is defined in Pub. Util. Code § 1701.1(c)(4).

4. Scoping Memo

The scope of this proceeding is governed by the assertions in the complaint and answer. The following specific issues are to be addressed at hearing:

- Is the Shell Pipeline a public utility subject to the jurisdiction of this Commission?
- Has Equilon dedicated the Shell Pipeline to public use?
- Do Equilon’s buy/sell agreements constitute operation of the Shell Pipeline for compensation?
- Does performing a buy/sell agreement with a former affiliate that is no longer an affiliate constitute dedication of the Shell Pipeline to public use?

5. Public Participation Hearing

No public participation hearing has been scheduled in this proceeding.

6. Procedural Schedule

The schedule below is adopted for the service of testimony and hearing.

Chevron and Tesoro serve direct written testimony	May 1, 2006
Equilon serves responsive written testimony	May 29, 2006
Chevron and Tesoro serve rebuttal written testimony	June 6, 2006
Evidentiary hearing: Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, CA 94102	June 14-16, 2006 10:00 a.m.

7. Discovery Matters

In the event that parties are not able to resolve any disputes over discovery on a reasonably prompt basis, they are directed to bring the dispute before the Commission in the form of a motion to compel. Any such motion shall identify specifically the nature of any dispute, with justification for the production of any discovery materials. Responses to such motions shall be filed and served within three business days.

IT IS RULED that:

1. This ruling confirms the categorization of this proceeding as adjudicative.
2. The presiding officer for this proceeding is ALJ Glen Walker.
3. The ex parte rules set forth in Rule 7(c) shall apply to this proceeding.

4. The scope of this proceeding is described in Section 4 above, and the procedural schedule described in Section 6 is adopted.

Dated March 28, 2006, at San Francisco, California.

/s/ GEOFFREY F. BROWN

Geoffrey F. Brown
Assigned Commissioner

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Scoping Memo and Ruling of Assigned Commissioner on all parties of record in this proceeding or their attorneys of record.

Dated March 28, 2006, at San Francisco, California.

/s/ ELIZABETH LEWIS
Elizabeth Lewis

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.