

Service Date: January 6, 2003

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER of the Application of)	
Conoco Pipeline Company To Discontinue)	UTILITY DIVISION
Service On Its Crude Petroleum Gathering)	DOCKET NO.D2002.11.142
Line Points in Petroleum, Rosebud,)	ORDER NO. 6472
Musselshell and Yellowstone Counties,)	
Montana.)	

* * * * *

DEFAULT ORDER

FINDINGS OF FACT

1. On November 15, 2002, the Montana Public Service Commission (Commission) received an application from Conoco Pipeline Company (Conoco) for authority to discontinue service on the gathering system and cancel the tariffs from the crude receiving points on its main gathering line located in the counties of Petroleum, Rosebud, Musselshell and Yellowstone Montana. Conoco has filed a new tariff (Montana PSC No. 10).

2. Volumes are declining significantly on Conoco's Central Montana Gathering System. A comparison of 2002 to 2001 activity shows a thirty six percent reduction in volumes moving on the gathering line. The reduction in throughput is also a major factor contributing to the decline in the profitability of the system and Conoco's desire to discontinue operation. A more immediate concern is that the line is actively pumping only about two hours each day with the current volume. As volumes continue to decline this winter, the line may be actively pumping less than thirty minutes each day, which could cause crude in the line to set up in the cold

weather.

3. On November 27, 2002, the Commission issued a Notice of Application and Intervention Deadline with requests for intervention due on December 18, 2002.

4. No requests for intervention have been received.

CONCLUSIONS OF LAW

1. The Montana Public Service Commission has jurisdiction over the rates and charges of common carrier pipelines pursuant to Title 69, Chapter 13, Montana Code Annotated (MCA).

2. Conoco Pipeline is a common carrier pipeline transporting crude petroleum and therefore is subject to the jurisdiction of the Commission.

ORDER

IT IS HEREBY ORDERED THAT:

1. The Commission approves the request for discontinuation of service on the gathering system.

2. This Order shall be effective for service rendered on and after January 2, 2003.

DONE IN OPEN SESSION at Helena, Montana on this 2nd day of January, 2003 by a 5-0 vote.

BY THE ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

GARY FELAND, Chairman

JAY STOVALL, Vice Chairman

BOB ANDERSON, Commissioner

MATT BRAINARD, Commissioner

BOB ROWE, Commissioner

ATTEST:

Rhonda Simmons
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.