FIRST ADDENDUM

to the
Final Environmental Impact Report/Statement
for the

Mobil M-70 Replacement and Optimization Project

ENSR Document No. 4700-166-000
February 2001

Prepared for

City of Los Angeles Department of Transportation
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Prepared by

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1.0 INTRODUCTION AND BACKGROUND

In February 1991, the Board of Transportation Commissioners (BTC) of the City of Los Angeles, certified the Final Environmental Impact Report/Statement (Final EIR/S) for the Mobil M-70 Replacement and Optimization Project (State Clearinghouse Number 89010177). The BTC took this action in accordance with Public Resources Code, Sections 21083 and 21087 as the governing body for the Los Angeles Department of Transportation (LADOT) and as the California Environmental Quality Act (CEQA) lead agency. Because the environmental impact analysis was conducted to meet the requirements of both CEQA and the National Environmental Policy Act (NEPA), the EIR/S was also adopted by the U.S. Forest Service (USFS), as the NEPA lead agency.

A key requirement of the EIR/S was that the throughput of the new pipeline was to be limited and this limitation was based on minimizing air quality impacts from Mobil's Torrance refinery. Because the assumptions about air quality requirements have changed substantially since the publication of the EIR/S, the connection between the pipeline throughput and refinery throughput is no longer applicable. To support the increasing demand for gasoline supplies in southern California, Mobil demonstrated that they could increase the refinery throughput while meeting or exceeding the requirements for limiting air emissions at the refinery. Since that concern has been addressed, Mobil is now seeking to better utilize the existing system capacity and to increase the throughput of the M-70 pipeline.

Because Mobil proposes to change the operating condition upon which the CEQA/NEPA evaluation was based, they contacted LADOT and the USFS staff for direction about satisfying the requirements of CEQA and NEPA. Both CEQA and NEPA allow for changes to projects without substantial environmental review provided the changes are minor. The applicable provisions of CEQA are contained in Sections 15162 and 15164 of Title 14, Chapter 3, Guidelines for Implementation of the California Environmental Quality Act, also known as the CEQA guidelines. As stated in the CEQA Guidelines Section 15164, an addendum to a previously certified EIR shall be prepared if some changes or additions are necessary but none of the following conditions (as described in Section 15162) have occurred:

- New significant environmental effects or a substantial increase in the severity of previously identified significant effects.
- Substantial changes in circumstances due to new information of significant environmental effects or a substantial increase in the severity of previously identified significant effects.
- New information of substantial importance was not known and could not have been known at the time the previous EIR was certified as complete. The new information would have to show any of the following:

- One or more significant effects not discussed previously in the EIR;
- Significant effects previously examined will be substantially more severe than shown in the previous EIR;
- Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and substantially reduce one or more significant effects of the project; or
- Mitigation measures or alternatives not previously considered or analyzed in the previous EIR, would substantially reduce one or more significant effects on the environment.

The USFS's implementing guidelines for NEPA provide for similar minor changes.

As the CEQA lead agency and based on the preliminary project information provided to the LADOT, LADOT staff determined that none of the conditions discussed above has occurred, and considering the whole record, a revised or supplemental EIR/S is not required. However, in order to formalize the information concerning the M-70 throughput increase, the LADOT has specified an Addendum to the 1991 EIR/S as the appropriate CEQA mechanism for the environmental review of the proposed M-70 throughput increase. Therefore, this document which discusses the proposed M-70 throughput increase serves as the first Addendum to the 1991 EIR/S.

Subsequent to the February 1991 certification of the EIR/S and filing of the Notice of Determination with the California State Clearinghouse, the LADOT received additional comments to the EIR/S. Although, these comments were received after the EIR/S certification (between February 28 and March 14, 1991), Dames & Moore, as author of the original EIR/S, provided answers to each of these comments to the BTC. As part of the preparation of this first Addendum report, the comments were reviewed in response to LADOT's request and determined to be mostly related to the construction of the M-70 pipeline. Operational comments dealt with oil spill or air emission concerns that were fully evaluated in the EIR/S. As such, these comments are not reflective of concerns which would be associated with increasing the throughput of the existing M-70 pipeline and will not be addressed further in this first Addendum document.

On August 9, 2000, the USFS acknowledged that the M-70 throughput increase would not lead to new or greater environmental impacts than presented in the 1991 EIR/S. Therefore, the proposed throughput increase is not subject to further analysis under NEPA. A photocopy of the letter, which documents the USFS's determination is provided as Attachment A.

2.0 PROPOSED PROJECT

The following paragraphs provide a description of the M-70 pipeline system as well as the proposed project.

2.1 Background

Mobil operates the M-70 pipeline to convey crude oil from the Lebec Pump Station, located in Kern County, California to Mobil's Torrance, California Refinery. Figure 1 shows the location of the M-70 pipeline as presented in the 1991 EIR/S. As part of the project to replace the pipeline, the LADOT and the USFS published an EIR/S that evaluated the impacts resulting from the project construction, operation, and abandonment of the old M-70 pipeline.

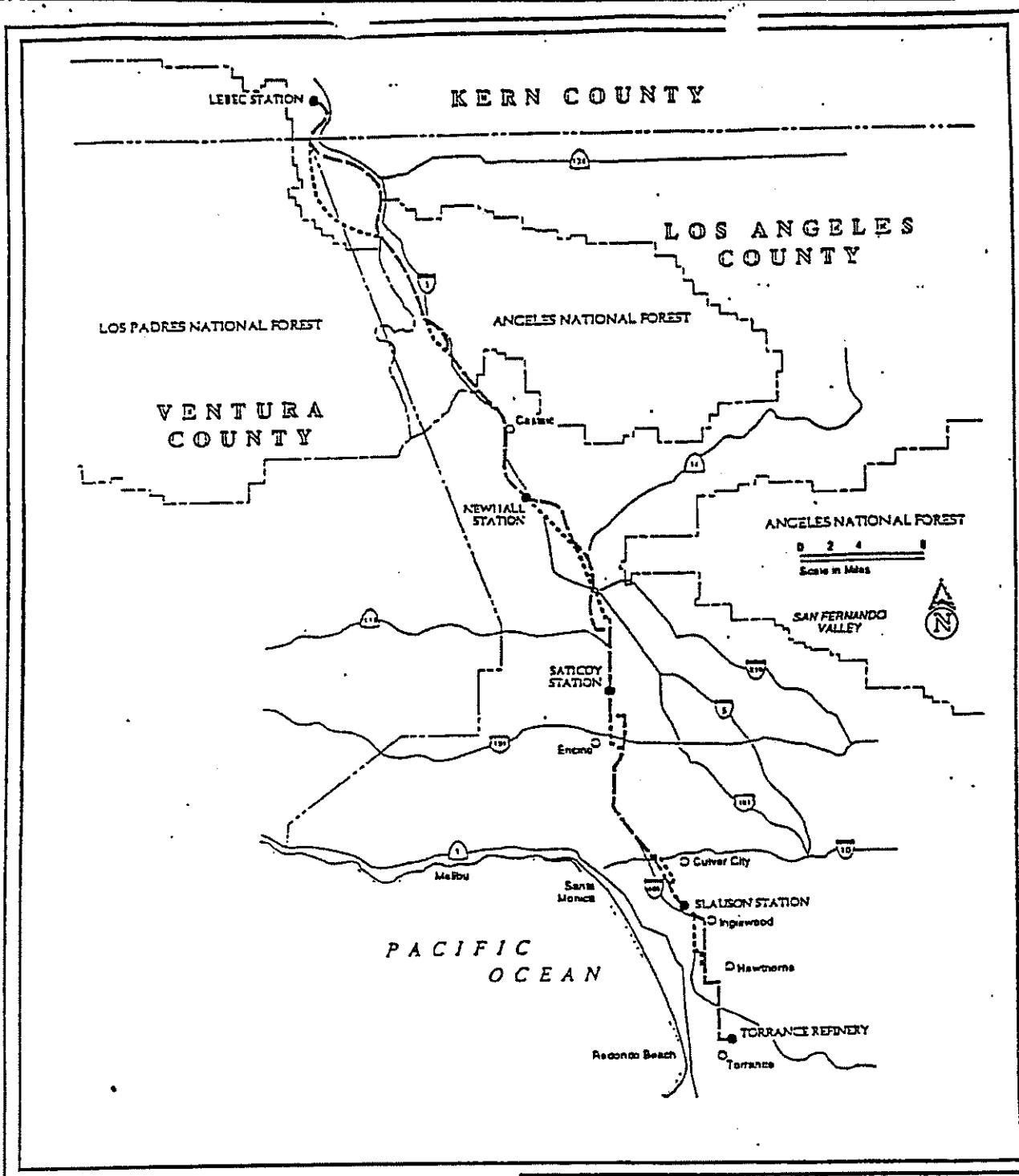
One of the assumptions for the preparation of the 1991 EIR/S was that the average annual crude oil throughput of the M-70 pipeline would be 95 thousand barrels per day (TBD). This assumption was based on a variety of factors, including, but not limited to:

- Historic crude throughput;
- Crude slate available for shipment;
- Availability of other crude supplies; and
- Crude processing limitations within the refinery.

This assumption served as the basis for a pipeline throughput cap that was tied to the refinery throughput as reflected in mitigation measure AR-1 of the EIR/S. Changes to the pipeline throughput cap required Mobil to consult with the South Coast Air Quality Management District (SCAQMD) to verify air emissions were maintained at appropriately low levels at the refinery. Based on changes within the refinery and the SCAQMD's evaluation of these changes, the SCAQMD issued letters which stated that the pipeline's throughput restrictions are no longer valid. As such, Mobil proposes to increase the M-70 crude oil throughput from 95 TBD to 115 TBD.

2.2 Description of the Original M-70 Pipeline Replacement Project as Approved

The project, as described in the Final EIR/S and approved by the Board of Transportation Commissioners in February 1991, allowed for the replacement of approximately 92 miles of old multiple diameter pipeline with a new 16-inch state-of-the-art pipeline. The pipeline was installed primarily in city streets or previously disturbed areas to minimize exposure of sensitive resources to impacts from the construction and operation of the pipeline. Several pump stations were upgraded to improve efficiency and reduce air emissions. The pipeline had a special, fusion-bonded, factory-installed coating which was finished by field-applied low emission coating of joints.



LEGEND

Proposed M-70 Pipeline Route

Existing M-70 Pipeline Route (To be Abandoned)

REFERENCE:
Dames & Moore, Final Environmental Impact Report / Statement
Proposed M-70 Pipeline Replacement and System Optimization Project
Volume 1 Feb. 1991

ENSR

FIGURE 1
SITE LOCATION MAP
M-70 Pipeline

Drawn by: M. Scop	Date: 8/7/1998	Project number 4700-166-000
Figure Name:	Checked by:	

Mobil implemented a wide variety of mitigation measures to reduce environmental impacts during the construction of the M-70 pipeline. These mitigation measures included resident notifications, traffic re-routing, citizen outreach programs and information hot lines, and cultural resource collections.

As mitigation against accidental spills, Mobil installed thicker walled pipe at a number of stream crossings and at geologically sensitive areas (e.g., known earthquake fault zones), extra remotely-operated valves, and seismic alarms at pumping stations. These measures were judged to reduce the potential impact from a spill from the pipeline to the maximum extent feasible.

2.3 Modifications to the Project

Mobil proposes to increase the average annual throughput of the M-70 pipeline from 95 TBD to up to 115 TBD. Mobil will be able to achieve this increase by two methods, utilizing excess system capacity and using a less viscous composite crude stream, which will allow for the crude oil to be pumped at a higher flow rate. These two methods may be used simultaneously or in lieu of each other in order to achieve the average annual throughput of up to 115 TBD. The proposed average annual throughput will not result in an operating pressure that would exceed the operating pressure of 1,000 psi, which was analyzed in the 1991 EIR/S. Additional information concerning the two throughput increase methods is provided below.

As a result of modifications made to the M-70 pipeline and pump stations during the M-70 replacement and system optimization project, the current working capacity of the M-70 pipeline system is approximately 100 TBD[1]. This working capacity is based on pumping 12.5 ° API gravity San Joaquin heavy crude oil and includes a seven percent allowance for seasonal temperature variations and downtime for maintenance, inspections, and potential upset conditions such as power outages. Since its completion, the system has been operating at an average annual throughput of 95 TBD; leaving an average annual excess system working capacity of 5 TBD. No system modifications will be required to utilize the excess system working capacity. Mobil has operated the system at 100 TBD for 12.5° API crude during peak periods and the system has demonstrated its ability to safely operate at this maximum throughput volume. Mobil has offset the peak period throughput with smaller throughput volumes at other times to achieve the average annual throughput of 95 TBD.

Mobil also plans to pump a less viscous composite crude oil stream through the M-70 pipeline. Mobil would obtain this composite crude oil by blending heavy crude (12.5° API) and less viscous

[1] The EIR/S cites a maximum design capacity of 129 TBD which was predicted on a variety of assumptions including maximum operating pressures, maximum operating times, a nominal crude slate, and other factors. It does not represent actual operating conditions where the pipeline must be shut down for maintenance and inspections nor does it account for the full range of crude slates that Mobil could use.

crude oil (30° API) in upstream production or pipeline facilities to create a crude oil of 13° to 16° API. The less viscous crude can be pumped at a higher flow rate and would increase the system capacity up to an additional 15 TBD. No system modifications will be required to achieve this proposed action. Mobil has conducted hydraulic studies that verify throughput increases are attainable using a less viscous crude.

3.0 IMPACT ANALYSIS

To evaluate whether the project will have one or more new or substantially increased significant effects not discussed in the 1991 EIR/S, each environmental issue area considered in the 1991 EIR/S has been evaluated. As the evaluation of the effect of the proposed project to air and risk of upset warranted a more detailed discussion, these two issues areas are presented as separate sections below. The remaining environmental issue areas are presented in Section 3.3. Based on the results of analysis presented in this section, there are no new or substantially increased impacts to environmental resources as a result of the proposed throughput increase.

3.1 Air

In order to increase the throughput of the M-70 pipeline, Mobil proposes to use the system's current excess capacity and to pump a less viscous composite crude. No system modifications or new system components (i.e., heaters and pumps) will be required in order to increase the throughput of the pipeline. In addition, no heaters or pumps will need to be operated beyond above previous maximum use. Therefore, the proposed project will not result in new air emissions.

One of the mitigation measures set forth in the 1991 EIR/S was Mitigation Measure AR-1, which states:

> In addition to the environmental protection measures proposed by Mobil, additional mitigation measures should be implemented as **considered appropriate by the South Coast Air Quality Management District.** These measures are listed in Table 4.2.2-6 of the 1991 EIR/S[2]. (emphasis added).

Table 4.2.2-6 includes the following additional mitigation measure which "should be implemented as considered appropriate by the SCAQMD":

> Limit M-70 pipeline throughput to 95,000 bpd (and reduce allowable throughput to 63,500 bpd if the Torrance Refinery capacity limit is expanded above 130,000 bpd **unless the SCAQMD determines that this expansion will not adversely affect air quality**). (emphasis added).

Table 4.2.2-6 also includes the following footnote:

[2] A copy of Table 4.2.2-6 is provided as Attachment B.

> These measures will be implemented **as considered appropriate by the South Coast Air Quality Management District.** These measures are in addition to the measures stated in Section 4.2.2.4.1. (emphasis added).

The 1991 EIR/EIS expressly states that the additional measures are to be implemented only as considered appropriate by the SCAQMD. Further, the mitigation measures expressly state that the pipeline throughput limit will not apply if "the SCAQMD determines that this expansion will not adversely affect air quality."

In June 1999, the City of Torrance granted Mobil's request for a throughput increase at the refinery. With this increased capacity at the refinery, Mobil reviewed the restrictions on the M-70 throughput, particularly with respect to AR-1. To satisfy the limitations of AR-1, Mobil demonstrated to the SCAQMD that an increase in the throughput of the M-70 would not violate any of their air permit conditions and would be consistent with AR-1. Based on the determination presented by the SCAQMD, the project will not result in an adverse air quality impact. Letters from the South Coast Air Quality Management District to the LADOT supporting Mobil's position that an increased throughput would not result in an environmental effect are presented in Attachment C.

3.2 Risk of Upset

The 1991 EIR/S evaluated potential spill volumes based on a shut off time for the line of either 23 or 18 minutes, north or south of Newhall, respectively. The origin of these system shut down times was unclear since data were compiled by a third party (Dames & Moore). However, Mobil's subsequent evaluation of system response times indicates that those times represent an unrealistic "worst-case" spill scenario. Based on the results of the spill volume evaluation in the EIR/S, LADOT and USFS adopted mitigation measures in the certified EIR/S. These mitigation measures reduced potential impacts from spills to the maximum extent feasible.

Since the publication of the EIR/S, Mobil has determined that under normal operating conditions it can shut down the pipeline within six minutes for the northern portion of the system and within three minutes for the southern portion of the system. In addition, Mobil determined that even under a reasonable worst case scenario they can shut down the pipeline system and close required valves in less than nine to 12 minutes for the southern and northern portions of the system, respectively. The study report documenting these results was provided to the LADOT in Mobil's correspondence dated July 19, 2000, and is available for review at their offices.

The calculations of spill volumes from pipelines is based on two factors, system shut down time (i.e., pumping continuing after the leak) and line drain down volume. The EIR/S divided the M-70 pipeline into a series of line segments. Spill volumes were calculated for each segment based on a system shut down of 18 to 23 minutes (north and south of Newhall, respectively) and keyed to

the length (and hence, drain down volumes) of each segment. These calculated volumes were presented in Table 4.2.10-2 of the final EIR/S, which is provided herein as Attachment D. Mobil's proposed throughput increase would change only the rate at which oil would be pumped through the pipeline; neither the shut down times nor the line volumes would be affected by the proposed throughput increase.

To determine a more reasonable worst-case system shut down time for the current M-70 pipeline, Mobil undertook a series of tests of the pump stations and pipeline valves. Under normal circumstances with systems working properly, it would take much less than a minute for a system operator to be alerted to and respond to a pipeline break. Upon seeing the pipeline failure, the operator would shut down the pump stations and motor-operated valves (MOVs). Thus, the system would be shut down and oil would no longer be pumped out within a minute or two. To provide a margin of safety, Mobil assumed the normal response could be accomplished in no more than three minutes. The difference between system shut down times north and south of Newhall reflects the slower MOVs that are in the remote parts of the Angeles National Forest. Because commercial power is not available to these remote MOVs, they have to rely on solar-generated battery power and thus require smaller and slower motors.

Mobil also tested their backup systems by simulating a telecommunications failure. Reasonable worst-case system shut down time was determined based on the need for the backup system to react to a lack of normal control from the Mobil's Dallas Control Center and other more local systems. Based on even a series of system failures, Mobil determined that the system could be shut down in less than nine or 12 minutes for the southern and northern sections, respectively. The results of Mobil's evaluation and the report documenting their tests were provided to the LADOT on July 19, 2000 and are available at their offices for review.

The spill volumes presented in Table 4.2.10-2 were calculated based on system shut down times of 18 minutes (Segments A through F) or 23 minutes (Segments G through L) and throughput rates of 95 TBD. By using the new calculated maximum system shut down times of nine and 12 minutes and the maximum throughput capacity of 115 TBD, the spill volumes for Segments A through F were over estimated by 559 barrels in the north and 468 barrels in the south. An example of the calculations is presented in Table 1.

Based on the capabilities of Mobil's response system, the impacts from the maximum spill potential associated with the proposed throughput increase have already been mitigated through the inclusion of the additional safety features called out in the 1991 EIR/S. Importantly, Mobil implemented these mitigation measures based on the larger spill volumes evaluated in the EIR/S. Thus, the proposed throughput increase will not lead to risk of upset conditions that would present new or more significant environmental impacts.

air

Table 1
Maximum Spill Volumes (bbls)

	Drain down volume	Pumped Volumes			Total Volume	Overestimation in EIR/S
		EIR/S*	Empirical Data			
			Normal**	Upset***		
Segment A (length 30,566 feet)						
95 TBD	7601	1519	—	—	9120	—
115 TBD (normal)	7601	—	479	—	8080	1040
115 TBD (upset)	7601	—	—	958	8559	559
Segment G (length 21,120 feet)						
95 TBD	5252	1188	—	—	6440	—
115 TBD (normal)	5252	—	240	—	5492	948
115 TBD (upset)	5252	—	—	719	5971	469

* Volume presented in EIR/S based on a 23 minute (Segment A) or 18 minute (Segment G) shut-down time.
** Assumes normal operations with a 6 minute (Segment A) or 3 minute (Segment G) system shut-down time.
*** Assumes upset conditions with a 12 minute (Segment A) or 9 minute (Segment G) system shut-down time.

As another consideration, it is worth noting that Mobil included improved safety features in the new pipeline. These improvements included the following:

- Additional valves and sensors in the existing 24-hour-a-day computerized safety monitoring to quickly detect and locate leaks or ruptures and to rapidly shutdown the pipeline in the event of such circumstances;
- New technologically advanced anticorrosion sealants which are molecularly bonded to the pipe;

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- The ability to use an internal inspection tool ("Smart Pig") to detect and repair weaknesses in the uniform 16-inch diameter before failure can occur; and
- Thicker walled pipe at a number of stream crossings and at geologically sensitive areas.

Since the M-70 was completed in 1993, it has demonstrated its safety performance and durability both during routine operation and during potential upset conditions. Pursuant to the terms and conditions of the March 28, 1991, Report of the Department of Transportation, Mobil has submitted annual compliance reports to the City of Los Angeles Department of Transportation. As documented in these annual compliance reports, the M-70 pipeline has not experienced leaks or breaks.

In 1994, the M-70 pipeline withstood the 6.8 magnitude Northridge earthquake. The M-70 pipeline did not have pipeline failures, breaks or other operation problems during the earthquake itself and subsequent aftershocks. In addition, the Northridge earthquake demonstrated the effectiveness of the M-70 pipeline system safety control measures. During the earthquake, the M-70 pumping stations were automatically shut down by built-in sensors and alarms were triggered in the 24-hour manned control room located in Dallas, Texas. Attachment E provides two articles which discuss the strong performance and durability of the M-70 pipeline.

In addition to the safety benefits afforded by the M-70 pipeline, Mobil employs several operational and safety measures to prevent a pipeline upset. The M-70 pipeline is maintained and operated in accordance with Code of Federal Regulation Title 49, Part 195 – Transportation of Hazardous Liquids by Pipelines. These pipelines regulations require the periodic inspection of mainline valves and safety devices, monitoring of cathodic protection systems and other safety requirements. Under the California Pipeline Safety Act (CPSA) of 1981, the California State Fire Marshall oversees and enforces these regulations in California. The CSFM conducts audits of pipeline system manuals, procedures, records and facilities on a regular basis in order to insure compliance with Department of Transportation and CPSA regulations. Mobil also has a Pipeline Response Plan for the M-70 pipeline which outlines procedures for pipeline emergency situations.

3.3 Other Environmental Issue Areas

Table 2 provides an evaluation of the potential impacts of the proposed project to earth, water, plant life, animal life, noise, light and glare, land use and recreation, natural resources, population and socioeconomics, housing, transportation, public services, energy, utilities, human health, visual, cultural, and paleontologic resources. In addition, potential cumulative impacts are evaluated. Based on this evaluation, the proposed project will not result in new or substantially increased significant environmental impacts to any of these environmental issue areas.

Table 2
Environmental Evaluation

Discipline	New or Substantially Increased Significant Environmental Impacts	Explanation
Earth[3]	No	Because there will be no physical changes to the system, the increase in crude oil throughput will have no effect on topographic, seismic, fault, slope stability, subsidence, or unique geologic features, mineral or petroleum resources, or soil and erosion processes.
Water[4]	No	Because there will be no physical change to the system, the project will not result in impacts to surface or groundwater resources different from that evaluated in the EIR/S.
Plant Life	No	Because there will be no physical change to the system, the project will not result in impacts to plant life.
Animal Life	No	Because there will be no physical change to the system, no impacts to animal life will occur as a result of the project.
Noise	No	Because the pumps will not be run at new levels, the project will not result in noise impacts different from that evaluated in the EIR/S.
Light and Glare	No	Because the project does not involve activities that would create light or glare impacts, there will be no impacts to light and glare.
Land Use and Recreation	No	Because the project does not involve physical changes to the system, the project will not impact land or recreation uses.

[3] Topography, seismicity and faulting, slope stability, subsidence, unique geologic features, mineral and petroleum resources, soils and erosion.
[4] Surface water and ground water

1X 20

TABLE 2 (Cont'd)
Environmental Evaluation

Discipline	New or Substantially Increased Significant Environmental Impacts	Explanation
Natural Resources	No	The project will not require additional natural gas, water, or electricity beyond that evaluated in the EIR/S.
Population and Socioeconomics	No	Because the project will not require additional staff, no impacts to employment or population will occur.
Housing	No	Because the project will not require additional staff, no impacts to housing will occur.
Transportation	No	The project will not result in an increase in transportation activities. Therefore, no impacts to transportation are expected.
Public Services	No	The project will not require the use of police, fire, health care resources, or school and recreational facilities. Therefore, no impacts to public services are expected.
Energy	No	The project will not require additional energy resources to transport the crude oil at the higher flow rate. Therefore, the project will not result in an impact to energy.
Utilities[5]	No	The project does not require the use of new electrical, natural gas, telephone, water, or sewer services. Therefore, the project will not result in new impacts to utilities.
Human Health	No	As discussed in the "Air Quality" section above, the project will not result in the increase of toxic air emissions. Therefore, no new impacts to human health are expected.
Visual Resources	No	Because there will be no physical change to the system, no impacts to visual resources are expected.
Cultural Resources	No	Because there will be no physical change to the system, the project will not impact cultural resources.

[5] electricity, natural gas, water, and sanitary sewer

TABLE 2 (Cont'd)

Environmental Evaluation

Discipline	New or Substantially Increased Significant Environmental Impacts	Explanation
Paleontologic Resources	No	Because there will be no physical change to the system, the project will not impact paleontologic resources.
Cumulative	No	The project will not result in cumulative impacts.

4.0 ATTACHMENTS

A. Mobil Oil Corporation letter to the City of Los Angeles, Department of Transportation, and the U.S. Forest Service regarding the M-70 Throughput Increase, 95 TBD to 115 TBD, dated July 19, 2000.

B. Table 4.2.2-6 of the 1991 Final Environmental Impact Report/Statement for the Proposed M-70 Pipeline Replacement and System Optimization Project.

C. South Coast Air Quality Manage District Letters to the Los Angeles Department of Transportation, dated April 8, 1999 and July 22, 1999.

D. Table 4.2.10-2 of the 1991 Final Environmental Impact Report/Statement for the Proposed M-70 Pipeline Replacement and System Optimization Project.

E. Oil and Gas Journal and Los Angeles Times articles concerning the M-70 pipeline, dated October 11, 1993 and March 24, 1994, respectively.

ATTACHMENT A

U.S. Forest Service Determination

Mobil Oil Corporation

3700 WEST 190TH STREET
TORRANCE, CALIFORNIA 90509-2929

VIA UPS DELIVERY

July 19, 2000

Mr. Robert E. Camou, P. E.
Sr. Transportation Engineer
City of Los Angeles – Department of Transportation
221 North Figueroa Street, Suite 400
Los Angeles, CA 90012

Mr. Mike Wickman
District Ranger – Angeles National Forest
U.S. Forest Service
30800 Bouquet Canyon Road
Saugus, CA 91350

RE: M-70 Throughput Increase
95 TBD to 115 TBD

Dear Mr. Wickman and Mr. Camou:

Please find attached a report that presents the methodology and results of a test Mobil Oil Corporation (Mobil) conducted of our Emergency Shutdown System for the M-70 pipeline system. We conducted this test in response to our meeting on February 23, 2000 with the Los Angeles Department of Transportation (LADOT) staff during which we discussed our request to increase the throughput of the M-70 from 95,000 barrels per day (95 TBD) to 115 TBD. Our request was explained in detail in a letter from Mobil to the LADOT and US Forest Service (USFS) dated December 16, 1999.

Based on the results of this test we have demonstrated that under our normal operating conditions we can shut down the pipeline system and close the required valves within 3 minutes for the Southern portion (South of Newhall) of the system and 6 minutes for the Northern portion (North of Newhall) of the system. In addition, under a reasonable worst case scenario we can shut down the pipeline system and close required valves in less than 9 to 12 minutes for the Southern and Northern portions of the system, respectively.

The M-70 Pipeline Replacement Project Environmental Impact Report/Statement (EIR/S) evaluated, among other issues, the potential volume of a catastrophic spill. The EIR/S based a shut down time of 18 to 23 minutes for the Southern and Northern sections respectively, and a flow rate of roughly 66 barrels per minute (bpm), (which equates to 95TBD). The EIR/S estimated spill volumes at 1188 barrels for the Southern section and 1517 barrels for the Northern section.

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Based on the newly derived shut down times and an increased flow rate to roughly 80 bpm, (equates to 115 TBD), spill volumes were estimated, under normal conditions, at approximately 240 barrels for the Southern section and 479 barrels for the Northern section. In a reasonable worst case scenario under the same flow rate (80 bpm), the spill volumes were estimated at approximately 719 barrels for the Southern section and 958 barrels for the Northern Section, refer to attached Table 1. Thus, the EIR/S evaluated potential maximum spill volume far exceeding what should be the actual maximum spill volume even if the pipeline were to be operated at a higher flow rate.

Based on this evaluation, the impacts from the maximum spill potential for the system have been fully evaluated in the 1991 EIR/S and our request to increase the throughput of M-70 to 115 TBD would lead to no new or greater environmental impacts. In fact, since Mobil included more motor operated valves and other safety features, the actual spill volumes are much less than considered in the EIR/S.

In closing, we trust that upon your review of the report submitted herewith, you will agree with our supported conclusion that an increase of throughput of 20 TBD to the M-70 pipeline system will not cause additional environmental effects. Therefore the proposed throughput increase is not subject to reanalysis under CEQA/NEPA.

Should you agree with our findings, please sign your approved acknowledgment in the space provided below and return one signed copy to my attention.

We appreciate your favorable consideration of this request. However, if you should have any questions, please do not hesitate to contact me at (310) 212-1761.

Very truly yours,

Ruth Cronin-Fruitt

Ruth Cronin-Fruitt, Manager
West Coast Rights of Way

RECEIVED
AUG 1 0 2000
RIGHT-OF-WAY DEPT.

ACKNOWLEDGED AND APPROVED

By: Mike Wesh
Title: Acting Deputy Forest Supervisor
Date: 8/9/2000

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Enclosures

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ATTACHMENT B

Table 4.2.2-6
of the 1991 EIR/S

TABLE 4.2.2-6

ADDITIONAL AIR QUALITY MITIGATION MEASURES (AR-1)[1]

Impact	Mitigation Measures	Residual Impact
Construction Activity Emissions	• Water site and equipment morning and evening • Spread soil binders on all exposed soil areas in construction zone • Operate street sweepers on adjacent paved roadways	Not Significant
Construction Equipment Emissions	Wash trucks leaving the construction site	Not Significant
Construction related Traffic Congestion	• Provide rideshare incentives to construction personnel • Provide transit incentives to construction personnel • Provide a flagperson at construction sites	Not Significant
Project Operational Emissions	• Install Best Available Control Technology on any equipment expected to increase emissions • Provide emissions offsets where required by Regulation XIII	Not Significant
Secondary Emissions	• Limit M-70 pipeline throughput to 95,000 BPD (and reduce allowable throughput to 63,500 BPD if the Torrance Refinery capacity limit is expanded above 13,000 BPD unless the SCAQMD determines that this expansion will not adversely affect air quality).	Not Significant

1 These measures will be implemented as considered appropriate by the South Coast Air Quality Management District. These measures are in addition to the measures stated in Section 4.2.2.4.1.

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ATTACHMENT C

SCAQMD Letters

South Coast
Air Quality Management District
21865 E. Copley Drive, Diamond Bar, CA 91765-4182
(909) 396-2000 · http://www.aqmd.gov

April 8, 1999

Mr. Robert Camou, Supervisor
Los Angeles Department of Transportation
221 N. Figueroa, Suite 400
Los Angeles, CA 90012

Mobil M-70 Pipeline EIR Mitigation Measure

Dear Mr. Camou,

The South Coast Air Quality Management District (AQMD) has been contacted by representatives of Mobil Oil Corporation regarding a mitigation measure included in the Final Environmental Impact Report previously prepared for the Mobil M-70 pipeline replacement project. The Los Angeles Department of Transportation (LADOT) was the Lead Agency for the project pursuant to the California Environmental Quality Act (CEQA).

The mitigation measure in question (i.e., Mitigation Measure AR-1) would require reducing allowable pipeline throughput if the overall capacity limit at the Mobil Torrance Refinery is raised above 130,000 barrels per day (bpd).

Mitigation measure AR-1 states:

- In addition to the environmental protection measures proposed by Mobil, additional mitigation measures should be implemented as considered appropriate by the South Coast Air Quality Management District. These measures are listed in Table 4.2.2-6.

The pertinent mitigation measure in Table 4.2.2-6 states:

- Limit M-70 pipeline throughput to 95,000 bpd (and reduce allowable throughput to 63,500 bpd if the Torrance Refinery capacity limit is expanded above 130,000 bpd unless the SCAQMD determines that this expansion will not adversely affect air quality).

Table 4.2.2-6 also includes the following footnote:

- These measures will be implemented as considered appropriate by the South Coast Air Quality Management District. These measures are in addition to the measures stated in Section 4.2.2.4.1.

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The AQMD has reviewed the information available regarding the M-70 Pipeline, other relevant CEQA documents prepared for the Mobil Torrance Refinery, Mobil's Permits to Operate (issued by the AQMD), and emission calculations comparing the refinery's 1991 and 1998 potential to emit (submitted by Mobil). Review of these materials indicate that no additional emission control action is necessary based upon the Mobil refinery's capacity. The following paragraphs briefly explain the basis for this conclusion.

From an air quality perspective, the pipeline replacement project is considered beneficial because there are lower emissions from this method of crude oil transport compared to other conveyances such as oil tanker truck, marine vessels, or rail. Since pipelines do not typically generate emissions, the AQMD does not require a permit for their operation. For this reason, the proposed mitigation measure limiting pipeline throughput would not affect emissions and would not provide any additional mitigation. Further, the AQMD permit conditions for the Mobil Torrance Refinery are not based upon crude throughput. Permit conditions with capacity and emission limitations are placed on the refinery's stationary emission sources as well as emission control equipment pursuant to all applicable AQMD rules, regulations, and policies.

The Mobil Torrance Refinery must comply with all applicable AQMD rules, including those that limit emissions of oxides of nitrogen (NOx), oxides of sulfur (SOx), volatile organic compounds (VOC), and particulate matter (PM10). While no AQMD rule requires a reduction in pipeline throughput based upon the refinery's capacity, it is important to note that the refinery's emissions have declined since the upgrade of the M-70 pipeline as a direct result of either complying with applicable AQMD rules or voluntary reductions. Emission controls installed since the pipeline began operation include vapor recovery equipment to reduce flare emissions and selective catalytic reduction to reduce NOx emissions.

In addition to installation of the above-mentioned air pollution control equipment, a 160,000 bpd capacity limit was recently evaluated by the AQMD (as Lead Agency) in the EIR for the Mobil Torrance Refinery Reformulated Fuels Project (SCH No. 93011009). The Mobil reformulated gasoline project included modifications to existing equipment and addition of new equipment. Any modifications of existing equipment or installation of new equipment is subject to either AQMD Regulation XIII – New Source Review, or Rule 2005- New Source Review for RECLAIM, both of which require installation of best available control technology (BACT) and emissions offsets for emissions increases as specified in the regulation or rule. Consequently, based on the fact that the AQMD analyzed the refinery-wide reformulated gasoline project assuming a total throughput capacity of 160,000 bpd and that emissions reductions have occurred at the refinery since 1991, the AQMD would not require additional mitigation measures as a result of implementing the changes proposed by Mobil.

To summarize, no further requirements or conditions on Mobil's refining operations or M-70 pipeline are deemed necessary based on the refinery running at or below a capacity of 160,000 BPD for the following reasons.

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1. The pipeline does not result in an adverse air quality impact and, in fact, provides air quality benefits.
2. There are no specific AQMD rules regulating crude throughput.
3. The AQMD does not generally invoke permit conditions based on crude throughput - equipment capacity and emission limitations are more appropriate.
4. As a result of implementing the reformulated gasoline project, which involved modifying existing equipment and installing new equipment, the Mobil Torrance Refinery was required to install BACT and provide emissions offsets pursuant to AQMD Regulation XIII – New Source Review.
5. The AQMD prepared and certified an EIR for the current configuration of the refinery assuming a 160,000 bpd capacity.
6. Emissions at the Mobil Torrance Refinery have been declining such that even with a refinery throughput of 160,000 BPD, refinery-wide emissions would still be less than those in 1991.

Please contact Dr. Steve Smith at (909) 396-3054 if you have any questions regarding Mobil's reformulated gasoline project EIR or Ms. Linda Basilio at (909) 396-3156 if you have any questions regarding any permits issued to Mobil by the AQMD.

Sincerely,

Henry Hogo

Henry Hogo
Planning Manager
Planning, Rule Development and Area Sources

copy: Robert Distaso, Mobil
Linda Basilio, AQMD

SS:JDN

(jdn/a:/mobil/m70)

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South Coast
Air Quality Management District
21865 E. Copley Drive, Diamond Bar, CA 91765-4182
(909) 396-2000 • http://www.aqmd.gov

July 22, 1999

RECEIVED
AUG 12 1999
RIGHT-OF-WAY DEPT.

Mr. Robert Camou, Supervisor
Los Angeles Department of Transportation
221 N. Figueroa Street, Suite 400
Los Angeles, CA 90012

Mobil M-70 Pipeline EIR Mitigation Measure

Dear Mr. Camou,

The South Coast Air Quality Management District (AQMD) sent a letter to you regarding the matter referenced above on April 8, 1999. That letter presented AQMD's determination that increased crude throughput via the M-70 pipeline would not create a significant adverse air quality impact requiring further conditions on Mobil's refining or pipeline operations.

Subsequently, Mobil Oil Corporation received a letter from Emmanuel I. Fabiyi, Transportation Engineer Associate III, LADOT, requesting that AQMD "submits to LADOT data with a letter which determines the expansion will not adversely affect air quality, certified to by SCAQMD's principals or representative counsel and affirming responsibility for said determination."

Please note that the information requested by LADOT was included in AQMD's April 8 letter, which was signed by Henry Hogo, Manager, Planning, Rule Development, and Area Sources. Mr. Hogo is a management representative of the AQMD. Nevertheless, to facilitate a resolution to this issue, I have included the pertinent information from the April 8 letter under my signature.

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The South Coast Air Quality Management District (AQMD) has been contacted by representatives of Mobil Oil Corporation regarding a mitigation measure included in the Final Environmental Impact Report previously prepared for the Mobil M-70 pipeline replacement project. The Los Angeles Department of Transportation (LADOT) was the Lead Agency for the project pursuant to the California Environmental Quality Act (CEQA).

The mitigation measure in question (i.e., Mitigation Measure AR-1) would require reducing allowable pipeline throughput if the overall capacity limit at the Mobil Torrance Refinery is raised above 130,000 barrels per day (bpd).

Mitigation measure AR-1 states:

- In addition to the environmental protection measures proposed by Mobil, additional mitigation measures should be implemented as considered appropriate by the South Coast Air Quality Management District. These measures are listed in Table 4.2.2-6.

The pertinent mitigation measure in Table 4.2.2-6 states:

- Limit M-70 pipeline throughput to 95,000 bpd (and reduce allowable throughput to 63,500 bpd if the Torrance Refinery capacity limit is expanded above 130,000 bpd unless the SCAQMD determines that this expansion will not adversely affect air quality).

Table 4.2.2-6 also includes the following footnote:

- These measures will be implemented as considered appropriate by the South Coast Air Quality Management District. These measures are in addition to the measures stated in Section 4.2.2.4.1.

The AQMD has reviewed the information available regarding the M-70 Pipeline, other relevant CEQA documents prepared for the Mobil Torrance Refinery, Mobil's Permits to Operate (issued by the AQMD), and emission calculations comparing the refinery's 1991 and 1998 potential to emit (submitted by Mobil). Review of these materials indicate that no additional emission control action is necessary based upon the Mobil refinery's capacity. The following paragraphs briefly explain the basis for this conclusion.

From an air quality perspective, the pipeline replacement project is considered beneficial because there are lower emissions from this method of crude oil transport compared to other conveyances such as oil tanker truck, marine vessels, or rail. Since pipelines do not typically generate emissions, the AQMD does not require a permit for their operation. For this reason, the proposed mitigation measure limiting pipeline throughput would not affect emissions and would not provide any additional mitigation. Further, the AQMD permit conditions for the

Mobil Torrance Refinery are not based upon crude throughput. Permit conditions with capacity and emission limitations are placed on the refinery's stationary emission sources as well as emission control equipment pursuant to all applicable AQMD rules, regulations, and policies.

The Mobil Torrance Refinery must comply with all applicable AQMD rules, including those that limit emissions of oxides of nitrogen (NOx), oxides of sulfur (SOx), volatile organic compounds (VOC), and particulate matter (PM10). While no AQMD rule requires a reduction in pipeline throughput based upon the refinery's capacity, it is important to note that the refinery's emissions have declined since the upgrade of the M-70 pipeline as a direct result of either, complying with applicable AQMD rules or voluntary reductions. Emission controls installed since the pipeline began operation include vapor recovery equipment to reduce flare emissions and selective catalytic reduction to reduce NOx emissions.

In addition to installation of the above-mentioned air pollution control equipment, a 160,000 bpd capacity limit was recently evaluated by the AQMD (as Lead Agency) in the EIR for the Mobil Torrance Refinery Reformulated Fuels Project (SCH No. 93011009). The Mobil reformulated gasoline project included modifications to existing equipment and addition of new equipment. Any modifications of existing equipment or installation of new equipment is subject to either AQMD Regulation XIII – New Source Review, or Rule 2005- New Source Review for RECLAIM, both of which require installation of best available control technology (BACT) and emissions offsets for emissions increases as specified in the regulation or rule. Consequently, based on the fact that the AQMD analyzed the refinery-wide reformulated gasoline project assuming a total throughput capacity of 160,000 bpd and that emissions reductions have occurred at the refinery since 1991, the AQMD would not require additional mitigation measures as a result of implementing the changes proposed by Mobil.

To summarize, no further requirements or conditions on Mobil's refining operations or M-70 pipeline are deemed necessary based on the refinery running at or below a capacity of 160,000 BPD for the following reasons.

1. The pipeline does not result in an adverse air quality impact and, in fact, provides air quality benefits.
2. There are no specific AQMD rules regulating crude throughput.
3. The AQMD does not generally invoke permit conditions based on crude throughput - equipment capacity and emission limitations are more appropriate.
4. As a result of implementing the reformulated gasoline project, which involved modifying existing equipment and installing new equipment, the Mobil

Torrance Refinery was required to install BACT and provide emissions offsets pursuant to AQMD Regulation XIII – New Source Review.

5. The AQMD prepared and certified an EIR for the current configuration of the refinery assuming a 160,000 bpd capacity.
6. Emissions at the Mobil Torrance Refinery have been declining such that even with a refinery throughput of 160,000 BPD, refinery-wide emissions would still be less than those in 1991.

Please contact Dr. Steve Smith at (909) 396-3054 if you have any questions regarding Mobil's reformulated gasoline project EIR or Ms. Linda Basilio at (909) 396-3156 if you have any questions regarding any permits issued to Mobil by the AQMD.

Sincerely,

Jack P. Broadbent
Deputy Executive Officer
Planning, Rule Development and
Area Sources

copy: Robert Distaso, Mobil

SS:JDN

(jdn/mobil/m70)

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ATTACHMENT D

Table 4.2.10-2
of the 1991 EIR/S

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TABLE 4.2.10-2

COMPARISON OF MAXIMUM POTENTIAL SPILL SIZE
EXISTING AND PROPOSED

Segment*	Milepost Reference	Maximum Potential Spill Volume (bbls) Existing	Proposed	Proposed with Mitigation**
A	0-5.2	6470	9120	6110
B	5.2-13.6	6770	11500	6510
C	13.6-17.6	4600	6770	4670
D	17.6-20.3	2160	4540	2043
E	20.3-25.8	5440	4280	
F	25.8-40.5	15120	10710	
G	40.5-48.5	4860	6440	5650
H	48.5-59.3	8700	8410	
I	59.3-64.1	3190	7490	4080
J	64.1-67.3	2660	5390	4210
K	67.3-79.4	7930	9070	4600
L	79.4-90.5	6270	11040	5780

*See Figure 4.2.10-1 for segment locations.
**Installation of additional remote MOVs and/or check valves are recommended along those segments where maximum spill potential for the proposed pipeline is greater than spill potential for the existing system. The volumes shown in this column reflect the anticipated effectiveness of these additional valves. For valve locations, see Table 4.2.10-3.

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ENSR INTERNATIONAL

ATTACHMENT E

M-70 Pipeline Articles

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An Investment in Safety: Mobil's M-70 Pipeline

Five years ago, Mobil made an important decision to replace its existing M-70 crude oil pipeline with a new state-of-the-art pipeline system. Sections of the existing pipeline had ranged in age from 2 years to 55 years. The need for a safer, more environmentally-sound pipeline was the major factor in our decision to invest $100 million to replace the existing pipeline system. The January 17th Northridge earthquake confirms that we were right.

Mobil's new M-70 pipeline came through the devastating quake with no pipeline failures, breaks or other operational problems.

Completed last April, the new M-70 pipeline transports San Joaquin crude oil from Lebec to Mobil's Torrance Refinery. Once refined, this oil accounts for 12 percent of the gasoline used in Southern California.

From the start, the M-70 pipeline was designed and constructed to withstand earthquakes. The high-strength steel used to build the line is one of the strongest and most flexible materials used in pipeline construction. Within earthquake fault zones, we put in added engineering, design and operational safeguards.

As a result, the line reacted to the 6.8 magnitude earthquake exactly as it should have. The pipeline's pumping stations were automatically shut down during the quake by built-in sensors. These sensors will detect any earthquake of 6.0 or greater. The sensors also triggered an alarm in the 24-hour control room where Mobil personnel immediately shut the pipeline down until it could be inspected.

Shortly after the initial earthquake, the M-70 pipeline was visually inspected for leaks or damage. It was then pressure tested and returned to full operation on January 18th.

All of these safeguards combined to allow the M-70 pipeline to weather the Northridge earthquake intact, even in areas that suffered tremendous damage. In fact, in Granada Hills the M-70 pipeline was approximately 13 feet beneath the surface of the street and 7 feet under a natural gas line that ruptured and burned during the quake.

We at Mobil are proud of the outstanding performance and durability the Mobil M-70 pipeline system demonstrated during the earthquake and the subsequent aftershocks. The M-70 pipeline has proven to be the safest and most environmentally-sound pipeline system in operation in the State of California, and will allow Mobil to continue to provide quality energy products to the California market. We would like to thank, once again, the residents, businesses and municipalities along the route of the M-70 pipeline for their patience during its construction. We know replacing our M-70 pipeline was the right thing to do.

Environmental Awareness

Mobil

California replacement employs special coating, construction practices

Warren R. True *Pipeline/Gas Processing Editor*

Mobil Oil Corp.'s West Coast Pipe Lines has been flowing heavy crude oil through its $90 million M-70 replacement pipeline since last spring.

Mobil installed a single 16-in. line specially coated for heated crude oil in place of a line parts of which were more than half a century old and which changed diameter several times.

The line's coating required almost 15 years of research and development, the pipeline was laid in narrower than usual trenches under and along busy streets of several Southern California urban areas, and the project survived a determined legal challenge.

1916 vintage

The so-called M-70 line, a 92-mile segment of the 170-mile San Joaquin Valley (SJV) pipeline system, runs from Mobil's Lebec station in Kern County, crosses the Tejon Pass and Angeles National Forest into the San Fernando Valley, crosses the Santa Monica Mountains, and moves through West Los Angeles to its terminus at Mobil's Torrance, Calif., refinery.

The line passes through Los Angeles County and the cities of Los Angeles, Culve City, Inglewood, Haw thorne, and Torrance (Fig 1).

Before replacement, th M-70 line could carry a much as 63,500 b/d annual ly.

The project replaced all 9 miles of a line that had origi nally been constructed i 1916 and had been totall replaced in small segments The result by 1991 was a mi of diameters and coatings The segments ranged in ag from 2 to 55 years old.

So much short replace ment of line pipe and coa ing had taken place over th years that the 92-mile seg ment changed diameters 4 times, varying between 1(

Fig. 1

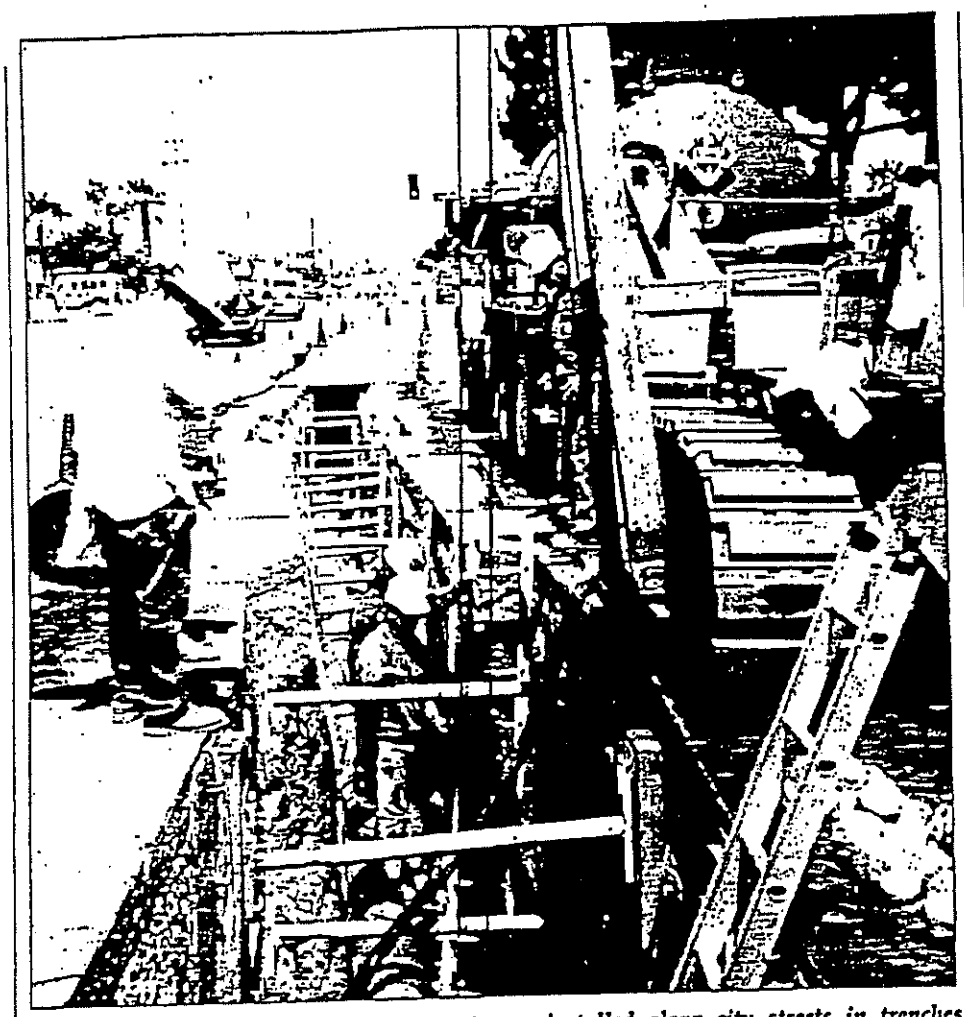
SAN JOAQUIN VALLEY CRUDE PIPELINE

Table

EXISTING M-70 PIPELINE MIX OF PIPE

	10 in.	12 in.	16 in.	Total, miles
Lebec to Newhall, miles	10.75	19.87	10.99	41.62
Newhall to Saticoy, miles	13.36	1.48	2.89	17.74
Saticoy to Slauson, miles	14.26	3.89	2.59	20.74
Slauson to Torrance, miles	11.19	0.19	0.57	11.95
Total, miles*	50	25	17	92
Percent	53.9	27.6	18.5	100.0

*Totals rounded to nearest whole number.



Much of Mobil Corp.'s M-70 replacement was installed along city streets in trenches narrower and deeper than conventionally used (Fig. 2).

12, and 16-in. pipe (Table 1).

Approximately 27% of the line replaced was 12-in. × 0.250-in. W.T. API 5L-X52 ERW line pipe coated with a high-temperature bitumastic enamel with fiber glass wrap laid in the late 1960s and early 1970s.

Also replaced was the approximately 50% that had consisted of 10-in. × 0.250-in. W.T. API 5L-X52 ERW line pipe coated with mastic and extruded polypropylene laid in the mid-1970s.

Special coating

The oil that flows in the line is heated to 160° F. and moved by four pumping and heating stations at Lebec, Newhall, Saticoy, and Slauson.

Each station has two direct-fired heaters. Additionally, the Lebec station has four 900-hp electrically driven centrifugal pumping units, the Newhall and Saticoy stations have two such units, and the Slauson station has two 450-hp units.

Individual heaters range from 7.7 MMBTU/hr at Lebec and Slauson to 9.4 MMBTU/hr at Newhall station.

The new 16-in. pipe (mostly 0.344-in. W.T. API 5L-X52 ERW) has DuVal coating consisting of 22 mils of fusion bonded epoxy (FBE) with a 22-mil topcoat of a chemically modified polypropylene (CMPP; OGJ, Dec. 14, 1992, p. 42).

The coating, a response to the high temperature of the oil, is the product of almost 15 years of research in a joint effort by Mobil Pipe Line Co., Valspar Inc. (Canada), and DuPont Canada Inc.

The trick was to modify the polypropylene so that it would bond to the FBE.

The coating was applied by Energy Coatings Co., Houston, at its Fontana, Calif., plant. Richard Norsworthy and J.A. Nunn of Mobil Pipe Line Co., Dallas, described the coating process to the 1992 API Pipeline Conference.

The procedure begins with inspection of the stored pipe for damage and contaminants—oil, grease, salt, so forth.

After a preheat of 150-180° F., dual blasting machines blast the pipe to a "near white" surface with a 1-3 mil anchor pattern.

The pipe is then inspected for burrs and other damage.

A phosphoric acid-based treatment (which should result in a pH of 1 for at least 20 sec) and a clean-water rinse are used to remove contaminants that may remain after blasting.

Norsworthy and Nunn said this step is best accomplished between the two blast machines, if possible.

A thin layer of chromate is then applied to protect the pipe further and strengthen the FBE bond to the steel.

After surface preparation, the pipe is heated to a temperature of 450-463° F. with heat induction or gas-fired ovens.

Once proper temperature has been established, the pipe will travel through the FBE spray booth.

Approximately 22 mils of FBE are applied. Before the extended-gel FBE is gelled (within approximately 9-12 sec), the 22 miles of CMPP is side extruded or flocked on in powder form.

Norsworthy and Nunn said side extrusion is the method being used by most coating companies.

The bond between the FBE and CMPP may be inadequate if applied outside these limits, they said. The thickness of each of the two components can be varied to suit expected operating temperature.

The coating is then quenched with water to remove as much heat as possible, yet allow proper cure of the coating. Additional internal quenching of the steel may be added to make the CMPP become harder for proper handling.

After quenching, the coating is visually and electrically inspected for holidays and other damage. The holidays found are usually from burrs on the pipe, mechanical damage, or contamination in the coating.

The coating thickness is checked and the pipe labeled with pertinent information. Separation rope is placed on the pipe. The ends are buffed back to the correct

cutback for welding and field-joint applications.

After bevel protectors are installed, the pipe is stored until transportation to the job site. All coated pipe is handled with padded equipment or proper hooks or slings to prevent damage.

Street work

Installation consisted of two major spreads: one for north Los Angeles County and one for south Los Angeles County.

ARB Inc., Bakersfield, Calif., was primary contractor in the north; Hood Corp., Whittier, Calif., in the south.

Both ran simultaneously.

Approximately 56 miles of the new line were laid in and following city streets in trenches that were narrower and deeper than conventional trenches (Fig. 2).

To avoid disruptions to traffic and more than necessary repair to city streets, Mobil limited the width of its trenches to 24-30 in. In rural areas of the project, trench width was up to 48 in.

To ensure line integrity and safety, Mobil buried the new line to 48 in.

More than 50 miles of the line was routed onto new right-of-way, much of it within urban areas. Mobil deviated in some instances to reduce the impact of construction on traffic, elsewhere to avoid newly resurfaced streets, and still elsewhere to avoid such environmentally sensitive areas as parks and the Sepulveda Dam recreation areas.

In addition to the line pipe installation, Mobil modified the four pump stations converting existing pumping units from series to parallel operation to increase pumping capacity and efficiencies.

At Lebec station, an additional electrically driven pumping unit was added to three existing units as well as their being converted from series to parallel operations.

Capacity of the line following line pipe installation and pumping station modifications is now 95,000 b/d.

Legal skirmishes

As with most pipeline construction these days, the M-70 replacement project had its adversaries.

In May 1991, after the City of Los Angeles had approved the project in April, the project's environmental impact report was challenged in a suit against the city.

During the summer of 1991, the city issued the necessary construction permits, however.

So that in September, when a judge in the Superior Court of California, County of Los Angeles, denied the basis for the suit, construction began in the city and in north Los Angeles County.

In November, however, the opposing group filed an appeal of that decision which was denied in December 1992 by the Court of Appeal of the State of California.

In the meantime, the cities of Hawthorne (on Mar. 23, 1992), Torrance (on May 19), Inglewood (on June 30), and Culver City (on Oct. 26) all approved the project and issued pipeline franchise ordinances to Mobil Oil Corp. allowing construction to proceed within their jurisdictions.

By Mar. 1, 1993, approximately 90 miles of the 92-mile project was installed. The remaining 2 miles in Culver City were finished by late March and the project construction was completed in early April.

The new line was hydrostatically tested on Apr. 1, tied into the longer SJV system on Apr. 5, and became fully operational on Apr. 9.■

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ROW 4711-B

City of Los Angeles
CALIFORNIA

RICHARD J. RIORDAN
MAYOR

DEPARTMENT OF TRANSPORTATION
221 N. FIGUEROA ST
LOS ANGELES, CA 90012
(213) 580-1177
FAX (213) 580-1165

FRANCES T. BANDRUCK
GENERAL MANAGER

CITY OF LOS ANGELES

BOARD OF TRANSPORTATION COMMISSIONERS

Thursday, April 12, 2001

10:00 A.M.

Room 170, 201 North Figueroa Street
Los Angeles

AGENDA

ADMINISTRATIVE ITEMS

1. Minutes
2. [redacted] Communications
3. [redacted] General Manager's Report
4. Transportation Committee Update

INFORMATIONAL ITEMS

5. Update on Special Event Service Delivery

6. Status and Evaluation of the Transit Priority System Component of the Metro Rapid Bus Program

CONSENT CALENDAR

(The following routine matters can be acted upon by one motion to approve with the majority consent of the Transportation Commission or can be removed by a Commissioner for a separate discussion.)

Franchise/Permit

7. Application for Reassignment of 20 Motorbus Permits for the Operation of the Community DASH Package One Services and 48 Non-Ambulatory Passenger Vehicle Permits for the Operation of the City's Cityride Dial-A-Ride Service Program in Area 1 and Area 2, from TCT Transit Services to Connex TCT, LLC; Revocation of 20 Motorbus Permits and 48 Non-Ambulatory Passenger Vehicle Permits Previously Granted to TCT Transit Services

8. Application of Ambuserve, Inc. for Five Unrestricted Private Ambulance Vehicle Permits

(Over)

Board [redacted]nda will be posted on bulletin board located on 2nd floor of City Hall East (Main Street Lobby) at least 72 hours prior to a Board Meeting

ROW 4711-B

CONSENT CALENDAR (Continued)

9. Application for Reassignment of Two Unrestricted Non-Ambulatory Passenger Vehicle Permits from Hakop Ar[illegible] dba Gentle Ride to Gentle Ride, Inc. and Application of Gentle Ride, Inc., for One Additional Unrestricted No Ambulatory Passenger Vehicle Permit; Revocation of Two Unrestricted Non-Ambulatory Passenger Vehicle Permi Previously Granted to Hakop Arabajyan dba Gentle Ride

FRANCHISE/PERMIT ACTIONS RECOMMENDED

10. Recommend Approval of the Request from Mobil Oil Corporation to Increase the Throughput of its M-70 Pipelin System Approved LADOT 4/12/01

11. Application of Stocker Resources, Inc., for a Pipeline Franchise to Operate Pipelines Within the City and Approval t Replace Existing Pipelines

EXECUTIVE SESSION - Pursuant to Government Code §54956.7

12. Recommend Denial of the Appeal of Ms. San Juana Padilla of the March 5, 2001, Department Denial of He Application for a New Motor Bus Driver Permit, due to Violation of Board Order No. 547, Rule C2 - First Transit

PUBLIC FORUM *

*The public will be given an opportunity to address non-agenda items within this Board's jurisdiction. A total of 10 minutes will be allotted, subject to time limits on individual items as the President deems appropriate.

As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability, and upon request, we will provide reasonable accommodation to ensure equal access to its programs, services, and activities. To ensure availability, you are advised to make your request at least 72 hours prior to a meeting you wish to attend. For additional information, please contact: Commission Executive Assistant, Sheila Abramsohn, at (213) 580-1186

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#10

BOARD REPORT
CITY OF LOS ANGELES
DEPARTMENT OF TRANSPORTATION

ROW 4711-B

Date: April 12, 2001

To: Board of Transportation Commissioners

Subject: REQUEST FROM MOBIL OIL CORPORATION FOR BOARD APPROVAL TO INCREASE THE THROUGHPUT OF ITS M-70 PIPELINE SYSTEM

RECOMMENDATION:

The Department recommends that the Board:

1. **Certify** that the attached "First Addendum to the Final Environmental Impact Report/Statement for the Mobil M-70 Replacement and Optimization Project" has been prepared pursuant to the provisions of the California Environmental Quality Act (CEQA).

2. **Adopt** the attached "Statement of Findings for the First Addendum to the FEIR/S for the Mobil M-70 Replacement and Optimization Project." (Attachment 1)

3. **Approve** Mobil Oil Corporation's request to increase the average annual operating throughput of its M-70 pipeline system from 95,000 barrels per day to 115,000 barrels per day.

INITIATED BY:

On December 20, 1999, the Department received a letter from Mobil Oil Corporation (Mobil) requesting Board approval for increasing the average annual operating throughput of its M-70 pipeline system from 95,000 barrels per day (bpd) to 115,000 bpd (Attachment 2). This approval is sought insofar as the Board previously restricted Mobil to a maximum average annual throughput of 95,000 bpd unless approval of the Board was obtained to increase that flowrate.

DISCUSSION

Background

Mobil M-70 Pipeline system

Mobil's M-70 pipeline system, which consists of the pipeline, block valves, pump stations and heaters, conveys crude oil from its Lebec Pump Station, located in Kern County, California, to its

Torrance, California Refinery. The entire pipeline system is 92 miles long; of that, 26 miles are in the City (Attachment 3). In the 1980's, the M-70 pipeline system consisted of pipelines and appurtenant facilities which varied in age from two to over 50 years old. The pipeline system experienced several leaks during the 1980's, including two leaks in Encino within 17 days approximately a mile apart from each other in 1988.

In order to help prevent future spills, Mobil replaced the system which consisted of pipelines ranging from 10 to 16 inches in diameter with a system consisting of pipelines with a uniform 16 inch diameter. Mobil selected 16 inch pipelines for several reasons: first, 16 inch diameter pipelines could be inspected internally with ease using the latest corrosion detection hardware, whereas smaller diameter pipelines could not; second, the pipeline system could be operated at a lower temperature and pressure, thereby reducing the adverse impact of an oil spill; third, the uniform larger diameter would provide increased capacity for the system, which would make the project economically feasible for Mobil.

Before the 1991 replacement project, the capacity of the system was 63,500 bpd. As a result of the project, the average annual throughput of the system was increased to 95,000 bpd, which is the average annual throughput at which Mobil currently operates the system. The Board of Transportation Commissioners granted approval for the project on April 11, 1991 contingent upon the throughput being limited to 95,000 bpd unless the Board approved an increased throughput, per Board Report B91-027. Mobil obtained approval from all other affected local jurisdictions by the end of 1992. Mobil completed construction and placed the new M-70 pipeline system into operation in April 1993.

At this time, Mobil plans to increase the throughput through two means. First, they plan to operate the existing system at full capacity, which would increase the throughput from 95,000 to 100,000 bpd. Second, they plan to transport a crude stream that is less viscous than the crude that they are currently transporting, which would increase the throughput by as much as 15,000 bpd. These two methods may be used simultaneously or in lieu of each other in order to achieve an average annual throughput of up to 115,000 bpd. By employing these means, Mobil will not need to add any new equipment, and it will continue to operate the system below 1,000 psi, which was the maximum pressure that was evaluated in the 1991 FEIR (and approved as the limiting operating pressure by the Board at the April 11, 1991 Board meeting).

CEQA Documentation

When the Department first considered the M-70 pipeline system replacement and optimization project, it initially filed a Negative Declaration; however, after initial public comments, the Department decided that an EIR was more appropriate. The Department and the U.S. Forest Service agreed that a joint EIR/S would be the best way to approach the project, and became joint lead agencies for this environmental work. The final EIR/S (1991 FEIR) was certified by the Board at its February 28, 1991 Board meeting per Board Report B91-015, and, as noted, Mobil's request to carry out the project was approved by the Board at the April 11, 1991 Board meeting.

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Mobil's current request to increase the average annual throughput from 95,000 bpd to 115,000 bpd constitutes a minor change from the project parameters that were considered in the 1991 FEIR. The U.S. Forest Service (USFS), which acted as the lead Federal agency under the National Environmental Protection Act (NEPA) for the 1991 FEIR, has concluded that no further environmental documentation was required under NEPA. Notwithstanding the USFS's decision, based on discussions with the City Attorney's Office and the Bureau of Engineering, the Department has determined that CEQA requires additional environmental documentation to be prepared.

Upon preliminary review of Mobil's request, the Department concluded that an addendum to the 1991 FEIR would be the most appropriate means to satisfy CEQA requirements. The Department based this decision on the applicable provisions contained in the California Code of Regulations Title 14, Chapter 3 (known as the State CEQA Guidelines), Sections 15162 and 15164. Section 15164 states that an addendum to a previously certified EIR shall be prepared if some changes or additions are necessary but none of the following conditions (as stated in Section 15162) have occurred:

- New significant environmental effects or a substantial increase in the severity of previously identified significant effects.
- Substantial changes in circumstances due to new information of significant environmental effects or a substantial increase in the severity of previously identified significant effects.
- New information of substantial importance, which was not known and could not have been known at the time the previous EIR was certified as complete, shows any of the following:
  - One or more significant effects not discussed previously in the EIR;
  - Significant effects previously examined will be substantially more severe than shown in the previous EIR;
  - Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
  - Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

Based on the Department's conclusion of the need for an addendum, ENSR International, an environmental consulting firm, prepared the attached "First Addendum to the Final Environmental Impact Report / Statement for the Mobil M-70 Replacement and Optimization Project" (2001 Addendum) to evaluate the environmental consequences of Mobil's request (Attachment 4).

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Environmental Impact Assessment

Most of the environmental impact analysis that was performed in the 1991 FEIR dealt with the actual pipeline route, as well as the impact the construction phase of the project would have on the environment. Since the replaced pipeline system is in operation, only the environmental impact due to the operation of the pipeline system needs to be reevaluated for Mobil's current request. The two environmental factors which require the most consideration are air quality and risk of upset, and these are discussed below. Other environmental factors (such as the impact on noise, transportation, and public services) are considered less relevant, and therefore are not discussed in this Board Report; however, they are addressed in the attached 2001 addendum.

Air Quality

One environmental issue which was considered as part of the original pipeline system replacement project in 1991 was the potential increase in secondary emissions from the Mobil refinery in Torrance. Opponents of the project rationalized that an increased throughput in the M-70 line would lead to an increased capacity at the Torrance refinery, which would in turn lead to an increase in environmentally harmful secondary emissions from the refinery. In response to such concerns, the 1991 FEIR allowed for restrictions to be placed on the throughput of the M-70 line *if* the South Coast Air Quality Management District (SCAQMD) determined such restrictions were necessary. The SCAQMD was to base its determination on whether or not an increase in the capacity of the Torrance refinery would adversely affect air quality. By allowing for such restrictions by the SCAQMD, the FEIR was able to address the opponents' concerns without limiting Mobil's operation of its Torrance refinery.

The extent of emissions from Mobil's Torrance refinery was also addressed in the Mobil Torrance Refinery Reformulated Fuels Project EIR (SCH No. 93011009) for which the SCAQMD acted as the Lead Agency. That EIR evaluated a refinery capacity that was greater than what was considered in the M-70 1991 FEIR. The SCAQMD determined that even with the increased refinery capacity, the emissions from the refinery would still be less than those in 1991 (when the 1991 FEIR was being prepared) due to Mobil's compliance with applicable SCAQMD rules and its voluntary use of emission reduction equipment. Therefore, the SCAQMD concluded that no further restrictions were necessary for the throughput of the Mobil M-70 pipeline system, as it relates to emissions from the Mobil Torrance refinery. A letter from the SCAQMD to the Department outlining the SCAQMD's position is attached (Attachment 5).

Since Mobil's current request does not require any new equipment (such as pumps or heaters) and will not have an adverse effect on emissions from the Mobil Torrance refinery, there are no new or additional significant impacts on air quality beyond what was already considered in the 1991 FEIR.

Risk of Upset

Pipelines are often regarded as the safest and most reliable method for transporting crude oil.

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However, even with the best-available technology, any transportation of crude oil poses a potentially significant environmental impact when upset conditions such as a pipeline leak occur. Therefore the focus of the mitigation measures in the 1991 FEIR was to minimize the potential impact. In doing so, the project's benefits were considered to outweigh the potential significant impacts, which made the project feasible.

The 1991 FEIR evaluated the potential impact of a spill based on Mobil's estimated system shut off time of 23 minutes for the system north of Newhall, and 18 minutes for the system south of Newhall. Since the new M-70 pipeline system was placed into service in 1993, Mobil has re-evaluated the time necessary to shut down the pipeline system. Mobil conducted a full evaluation of the time necessary to shut down the entire pipeline system in July 2000 and determined that under normal operating conditions the pipeline system could be shut down in 3 minutes south of Newhall and 6 minutes north of Newhall. In addition, Mobil determined that even under a reasonable worst case scenario (where a pump station fails to shut down on command, requiring the activation of a back-up system), the system could still be shut down in nine to 12 minutes. Mobil's letter from July 2000, which discusses its test in great detail, is attached (Attachment 6). ENSR International has stated that they have reviewed the data presented by Mobil, and believe that the data presented in the July 2000 letter support the response times determined by Mobil.

The following table presents a comparison between the maximum estimated spill volumes presented in the 1991 FEIR and the spill volumes based on the updated system shutdown times.

Table 1: Maximum Estimated Spill Volumes

Pipeline Segment (Relative to Newhall Pump Station)	Spill Volume Estimate (in Barrels)[1]				
	1991 FEIR[2] (95,000 bpd)	Normal Operating Scenario[3]		Reasonable Worst Case[4]	
		(95,000 bpd)	(115,000 bpd)	(95,000 bpd)	(115,000 bpd)
North	1,519	396	479	792	958
South	1,118	198	240	594	719

1 Spill volume due to pumping only; The segment drain down volume was not included, since the segment drain down volume is unaffected by the reevaluation of pipeline system shutdown times);
For calculations, 95,000 bpd was converted to 66 barrels/minute and 115,000 bpd to 80 barrels/minute;
2 Assuming a shutdown time of: 23 minutes north, and 18 minutes south, of Newhall;
3 Assuming a shutdown time of: 6 minutes north, and 3 minutes south, of Newhall;
4 Assuming a shutdown time of: 12 minutes north, and 9 minutes south, of Newhall;

As Table 1 shows, even with an increased throughput of 115,000 bpd the potential maximum spill volumes are still less than what was originally considered and approved in the 1991 FEIR. In fact, as long as the shutdown time is less than 14 minutes for sections south of Newhall, the spill volumes would still be less than what was considered in the 1991 FEIR even with a throughput of 115,000 bpd (80 barrels/minute). This means that even if Mobil's tests performed in 2000 had a margin of error of 5 minutes (55% margin of error), the potential maximum spill volumes are less than or equal to the spill volumes in the 1991 FEIR. Therefore, Mobil's current request does not involve any new

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or additional significant impacts related to the risk of upset beyond what was already considered in the 1991 FEIR.

Operational Record

As mentioned, the Mobil M-70 pipeline system has been in operation since April 1993. Mobil has submitted annual compliance reports to the Department pursuant to the contingency for project approval included in Board Report B91-027. In the eight years that the pipeline system has been in operation, the pipeline system has not presented any operational problems. A copy of Mobil's most recent compliance report for the year 2000 is attached (Attachment 7).

In 1994, the M-70 pipeline system's reliability was reaffirmed when it withstood the 6.8 magnitude Northridge earthquake. The M-70 pipeline system did not have any failures, breaks, or other operational problems during the earthquake and the subsequent aftershocks. In addition, the earthquake demonstrated the effectiveness of the M-70 pipeline system's safety control measures. During the earthquake, the M-70 pumping stations were automatically shut down by the built-in seismic sensors and alarms were triggered at Mobil's central control center in Dallas, Texas.

Mobil has consistently complied with the conditions of its pipeline franchise with the City. It has submitted its annual franchise fees in a timely manner; it has maintained a current insurance policy and faithful performance bond; and it has courteously provided all information that the Department has requested. Given the positive operational record of the M-70 pipeline system, along with Mobil's positive record as a franchisee, Mobil has demonstrated itself to be a responsible pipeline operator.

Since Mobil's request to increase the throughput of their M-70 pipeline system does not present any new or additional significant environmental impacts beyond what was considered in the 1991 FEIR, and since Mobil has consistently been a responsible pipeline operator, the Department recommends that the Board approve Mobil's request to increase the throughput of its M-70 pipeline system from 95,000 bpd to 115,000 bpd without placing any new or additional restrictions on the operation of the M-70 pipeline system.

Submitted by:

R E Camou

ROBERT E. CAMOU
Senior Transportation Engineer

Approved by:

John E. Fielder

for FRANCES T. BANERJEE
General Manager

B01-027
SY

Attachments

106

ROW 4711-B

FRANCES T. BANERJEE
GENERAL MANAGER

CITY OF LOS ANGELES
CALIFORNIA

DEPARTMENT OF TRANSPORTATION
221 N. FIGUEROA STREET, SUITE 500
LOS ANGELES, CA 90012
(213) 580-1177
FAX: (213) 580-1188

RICHARD J. RIORDAN
MAYOR

June 28, 2001

E18

RECEIVED
JUL 05 2001
RIGHT-OF-WAY DEPT.

CERTIFIED MAIL

State Clearinghouse
Office of Planning and Research
1400 Tenth Street
Sacramento, CA

FIRST ADDENDUM TO THE FINAL ENVIRONMENTAL IMPACT REPORT/STATEMENT FOR THE MOBIL M-70 REPLACEMENT AND OPTIMIZATION PROJECT (STATE CLEARINGHOUSE NUMBER 89010177)

The Los Angeles Department of Transportation is the California Environmental Quality Act (CEQA) lead agency for the project identified above. The Final Environmental Impact Report/Statement for the Mobil M-70 Replacement and Optimization Project was certified in February 1991 and the Notice of Determination was filed with the State Clearinghouse during the same period of time.

Subsequently, a First Addendum to the Final Environmental Impact Report/Statement for the Mobil M-70 Pipeline Replacement and Optimization Project was completed in February 2001. A photocopy of the First Addendum is provided for the State Clearinghouse's records.

If you have any questions, please contact me at (213) 580-1268 (e-mail: syoshik@dot.lacity.org).

Sincerely,

SHOZO YOSHIKAWA
Transportation Engineering Associate

LR01-145.sy
Attachment

cc: Ruth Cronin-Fruitt, ExxonMobil Pipeline Company (without attachment)

cc: W. Gorham - ENSR
W. Messner - EM

107

53

12851 East 166th Street
Cerritos, California 90703-2103

ExxonMobil
Pipeline

May 23, 2003

Mr. Mark Ambrozich
City Treasurer
City of Culver City
9770 Culver Blvd.
Culver City, CA 90232

RE: Ordinance No. 92-14

Dear Mr. Ambrozich:

Johann Song and I appreciated the opportunity to meet with you and Mr. Joe Pannone on April 17th to discuss the terms and conditions of Culver City's (City) Ordinance No. 92-14, specifically Mitigation Measure CC-23.

As you are aware, the above referenced Ordinance provides ExxonMobil Oil Corporation (ExxonMobil) the right to operate and maintain approximately 2.7 miles of our active 16-inch (M-70) crude oil pipeline within the City's jurisdiction. The base annual franchise payment to the City for this right is calculated at a rate of $4.47 per linear foot, plus an annual CPI adjustment. Estimated payment for 2003 is $78,000, which equates to an overall fee of $5.47 per linear foot. This amount is by far the highest franchise fee in California. As a means of comparison, I have compiled a spreadsheet (refer to Attachment 1) that provides you a list of cities, for which ExxonMobil holds pipeline franchise agreements, and their respective franchise fees. In addition, also included in Attachment 1 is the fee structure for a 16-inch diameter common carrier pipeline under the CA. Public Utilities Code.

As we discussed, ExxonMobil is reviewing options that will provide the most economic means of operation for our M-70 pipeline system. Among the options we are considering are: (1) a reduction of the M-70 throughput rate, not to exceed an annual average of 95,000 barrel per day and (2) conversion of the M-70 pipeline to a common carrier status, regulated by the CA. Public Utilities Commission (CPUC).

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We believe it would be in the best interest of the City and ExxonMobil to reach an amicable resolution to the fee structures currently in place under Ordinance No. 92-14. It is our recommendation that the City modify Mitigation Measure CC-23 as follows: "If in any calendar year, the average annual throughput of crude oil exceeds 95,000 barrels per day, ExxonMobil shall pay the City a penalty in the **amount of one cent ($0.01) for each barrel the cumulative amount of crude oil transported through Culver City that year exceeded the annual average of 95,000 barrels per day times the number of days in the year.** Such payment shall be made within 30 days after the 4th quarter records provided for in Mitigation Measure CC-22 have been provided to the City.

With respect to the above, based on a projected M-70 pipeline annual average of 110,000 barrels per day, this proposed fee modification would provide the City an additional $54,750.00 per year. This "penalty" fee coupled with the annual franchise fee would provide the City an estimated $133,000.00 (based on 2003 estimated franchise fee payment), which equates to over $9.00 per linear foot. This proposed fee modification still provides the City an overall annual payment that greatly exceeds the franchise fees received by other cities/counties within California. Whereas, the CPUC regulated rate for a 16-inch pipeline is $0.35 per linear foot the annual payment to the City would provide revenue of approximately $5,000 per year. Further, any "penalty" fee associated with throughput restriction would be addressed as a regulatory matter by the CPUC.

We request your consideration of this proposal and look forward to meeting with you and Mr. Pannone to discuss the City's response to our proposal. If you have any questions or require additional information, please contact me at (310) 212-1761.

Very truly yours,

Ruth Cronin-Fruitt

Ruth Cronin-Fruitt, Regional Mgr.
West Coast Right of Way Dept.

Rcf0523
Enclosures

cc: Mr. Joe Pannone
Mr. Johann Song

109

ATTACHMENT 1

CITY	FRANCHISE FEE	*ANNUAL FEE	DIFFERENTIAL TO CULVER CITY
Culver City	$4.47 per liner ft. 2002 throughput fee ($/bbl)	$ 63,724 $ 949,091***	
CPUC**	$0.352 per linear foot	$ 5,018	$ 1,007,797
City of LA	$1.40 per cubic ft., equates to $2.20 per linear foot	$ 31,364	$ 981,451
Carson	$1.68 per cubic ft., equates to $2.65 per linear foot	$ 37,778	$ 975,027
Inglewood	$3.75 per linear foot	$ 53,460	$ 959,355
Torrance	$3.75 per linear foot	$ 53,460	$ 959,355

*Annual fee based on 2.7 miles of pipeline (14,256 linear feet), does not reflect annual CPI or PPI adjustments.

**Per Section 6231.5 of the CA. Public Utilities Code

****In 2003, an additional $949,091 was paid for M-70 throughput fee in excess of 95 thousand-barrels-per-day.

110

56

CITY OF CULVER CITY

9770 CULVER BOULEVARD, CULVER CITY, CALIFORNIA 90232-0507

(310) 253-5865
FAX (310) 253-5880

MARK A. AMBROZICH
City Treasurer

RECEIVED
03 JUN 18 AM 11:04
CITY ATTORNEY-RISK MGMT.
CITY OF CULVER CITY

June 17, 2003

Ruth Cronin-Fruit
Regional Manager
West Coast Right of Way Department
ExxonMobil Pipeline Company
12851 East 166th Street
Cerritos, CA 90703-2103

Re: **Amendment to Penalty Provision of the Culver City/ExxonMobil Pipeline Franchise ("Franchise")**

Dear Ms. Cronin-Fruitt:

We, too, appreciate the time you and Johann Song spent with the City representatives. We also are grateful of the time and effort you and your team spent to put together the proposal for modifying the penalty provision of the Franchise.

As we agreed in that meeting, it seems most productive for ExxonMobil and the City to mutually agree to modify the provision of the Franchise, which establishes penalties when ExxonMobil permits more than an average of 95,000 barrels per day throughput in the M-70 pipeline. We recognize ExxonMobil has at least two options available to it if the City Council decided not to modify that provision. One option, as also outlined in your May 23, 2003, letter, is for ExxonMobil to convert the M-70 pipeline into a common carrier. If that was done, then any franchise fees the City could require are those limited to the minimal amounts set by state law. The other option you discussed when we met was the possibility of using a common carrier's eminent domain power to purchase the Franchise outright.

We all recognized those alternatives would result in significant expenditures of effort, time and money on both sides and likely cause unneeded friction which could be detrimental to the on-going relationship between the City and ExxonMobil. In light of that, we suggested you provide the City with a proposal for the parties to review which would meet your desire to modify the penalty provision of the Franchise and provide some benefit to the City for that modification.

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We have reviewed that proposal and would be comfortable recommending the City Council modify the penalty provision from the existing "two-tiered" structure to a "one-tiered" structure. With that new structure only one penalty amount would be established and that amount would continue to apply when an annual average of 95,000 barrels is exceeded. We also would be comfortable in recommending the City Council reduce the penalty from the "two-tiered" system of $0.10 and $0.15 to a single $0.05.

That reduction would significantly reduce ExxonMobil's current and previously agreed to obligation under the Franchise. It would also continue to provide to the City some of the benefit of the original bargain, while recognizing the advances in the safety of the use and operation of the M-70 pipeline and the City of Los Angeles' recent environmental documentation which acknowledges those advancements.

With deference to achieving a timely resolution of ExxonMobil's modification request, we thought a written response to your proposal would be quicker than scheduling a convenient time for your and our teams to again meet in person. If the above approach for modifying the Franchise is acceptable to ExxonMobil, please let us know and I will have an agenda item placed before the City Council with a recommendation for approval of that change.

Please call the undersigned at 310.253.5865 if you have any questions or comments.

Very truly yours,

Mark A. Ambrozich, CCMT
City Treasurer

Copy: Mike Thompson, Chief Administrative Officer
Carol A. Schwab, City Attorney

112 C

ExxonMobil Pipeline Company
12851 East 166th Street
Cerritos, California 90703-2103

RECEIVED
03 JUN 23 AM 11:00
CITY ATTORNEY-RISK MGMT.
CITY OF CULVER CITY

ExxonMobil
Pipeline

June 20, 2003

Mr. Mark A. Ambrozich
City Treasurer
City of Culver City
9770 Culver Blvd.
Culver City, CA 90232-0507

RE: Amendment to Ordinance No. 92-14

Dear Mr. Ambrozich:

Thank you for your letter of June 17, 2003, in which a proposal and recommendation to modify Mitigation Measure CC-23 of City Ordinance No. 92.14 was outlined. In this regard, please be advised that we support your proposal and request that you proceed with preparing an agenda item for consideration by the Culver City Council at your earliest opportunity.

We appreciate your recommendation for approval of the modification of Mitigation Measure CC-23 before the City Council. If we can provide any additional information in order for you to complete your staff report, please contact me. We look forward to attending the City Council meeting to address any questions and/or concerns that the Council may have. Please advise us of the scheduled City Council meeting date for this item as soon as it becomes available. I can be reached at (310) 212-1761.

Very truly yours,

Ruth Cronin-Fruitt

Ruth Cronin-Fruitt, Regional Mgr.
West Coast Right of Way Dept.

cc: Johann Song – ExxonMobil
Mr. Joel Larkin - ExxonMobil
Ms. Carol A. Schwab , City Attorney

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Calendar Year	Avg. Daily Volume (as reported)	Volume Audit?	Avg. Daily Volume (per audit)	If Overage Penalty Due – Amt. Paid/Date Paid
1992		No		
1993	88,383	No		*None due?*
1994		No		
1995	94,573	No		*None due?*
1996		No		
1997	90,433	No		*None due?*
1998		No		
1999	85,984 (per self-report) or 88,503 (per audit report)	Yes	88,597	None Due
2000	94,682	Yes	94,691	None Due
2001	93,813	Yes	94,310	None Due
2002	108,401			$949,091.25/Mar. 2003
2003	104,969			$181,934.25/Mar. 2004
2004	95,192	Yes	94,909	$3,504/Mar. 2005
2005	96,457	Yes	96,458	$26,590.25/Jan. 2006
2006	81,916	Yes	81,877	None Due
2007	74,622	*Not yet*		*None due?*

114

Mobil Oil Corporation

RECEIVED
1994 JAN 19 AM 11:31
ENGINEERING DIVISION
CITY OF CULVER CITY

WEST COAST PIPE LINES
3020 OLD RANCH PARKWAY
SUITE 200
SEAL BEACH, CALIFORNIA 90740-2751

RECEIVED
FEB 1 1994
CITY ATTORNEY'S OFFICE

January 17, 1994

City of Culver City
Mr. J. Davis
City Engineer
4095 Overland Avenue
Culver City, CA 90232

Dear Mr. Davis:

Pursuant to City Ordinance No. 92-014, specifically Exhibit "C", Mitigation Measure CC-22, attached you will find the throughput for the "Calendar Year, 1993." This report reflects 60 degree, net barrels delivered to Torrance Refinery.

If you should have any questions, please call me at (310-493-7222).

Sincerely,

W. H. Dart, Jr.

W. H. Dart, Jr.
Measurement Advisor

cc: R.L.Cronin-Fruitt,WCPL

ROUTE TO	INITIAL	DATE
		1/27/94
COPY TO	Norm Henry	
	Bob Noguchi	
RETURN TO FILE	X2	

File M-20
Make special file for these

VER CITY / QUARTERLY THROUGHPUT REPORT (NET)

		TOTAL NET BARRELS RECEIVED	T.B.D.	
4TH 92	OCT	1935554	62,437	
	NOV	2033980	67,799	
	DEC	2352998	75,903	
	TOTAL	6322532	68,723	
1ST 93	JAN	1361745	45391.5	
	FEB	2059246	73544.5	
	MAR	2588168	83489.29	
	TOTAL	6009159	67518.64	Annual Average
2ND 93	APRIL	2533384	84446.13	
	MAY	2839336	91591.48	
	JUNE	2980605	99353.5	
	TOTAL	14362484	79791.58	Annual Average
3RD 93	JULY	2727386	87980.19	
	AUG	3206119	103423.2	
	SEP	3001630	100054.3	
	TOTAL	23297619	85969.07	Annual Averge
4TH 93	OCT	3178367	102528	
	NOV	2767111	92237.03	
	DEC	3016878	97318.65	
	TOTAL	32259975	88383.49	Annual Averge

TO: City of Culver City
Att: J. Davis, City Eng.
4095 Overland Avenue
Culver City, CA 90232

cc: R.L.Cronin–Fruitt – USS&L

January 17, 1994

FROM: MOBIL OIL CORPORATION
MOBIL WEST COAST SUPPLY & LOGISTICS
3020 OLD RANCH PARKWAY
SUITE 200
SEAL BEACH, CA. 90740–2751
Prepaired By William H. Dart Jr.
Phone 310–493–7222

116

Mobil Oil Corporation

3700 WEST 190TH STREET
TORRANCE, CALIFORNIA 90509-2929

RECEIVED
1996 JAN 10 AM 10:03
ENGINEERING DIVISION
CITY OF CULVER CITY

January 9, 1996

City of Culver City
Mr. J.Davis
City Engineer
4095 Overland Avenue
Culver City, Ca 90232

RECEIVED
JAN 16 1996
CITY ATTORNEY'S OFFICE

Dear Mr. Davis,

RE: Annual Average Throughput Report

Pursuant to City Ordinance No. 92-014, specifically Exhibit "C", Mitigation Measure CC-22, attached you will find the throughput report for the "Calendar Year, 1995." This report reflects 60 degree, net barrels delivered to Mobil's Torrance Refinery.

If you should have any questions, please call me at 310-212-1762.

Sincerely,

William H. Dart, Jr.

William H. Dart, Jr.
Measurement Advisor

cc: R.L.Cronin-Fruitt, USM&R-USS&L/Torrance
J.D.Deupree, USM&R-USS&L/Torrance

ROUTE TO	INITIAL	DATE
		1/10
COPY TO	Norm Henry	
RETURN TO FILE		

OK Sonya 1/11/96

117

M–70 / Quarterly Throughput Report

1st 95	JAN	2849037	91904.42	
	FEB	2473917	88354.18	
	MAR	2874841	92736.81	
	TOTAL	8197795	91086.61	Year To Date Average
2ND 95	APRIL	2947874	98262.47	
	MAY	3120012	100645.5	
	JUNE	2936582	97886.07	
	TOTAL	17202263	95040.13	Year To Date Average
3RD 95	JULY	3026377	97625.06	
	AUG	3005618	96955.42	
	SEP	2886452	96215.07	
	TOTAL	26120710	95680.26	Year To Date Average
4TH 95	OCT	3040826	98091.16	
	NOV	2538673	84622.43	
	DEC	2818978	90934.77	
	TOTAL	34519187	94573.12	Annual Average

cc: R.L.Cronin–Fruitt/US S&L
cc: J.D.Deupree/US S&L

FROM: MOBIL OIL CORPORATION
US M&R / US S&L
3700 WEST 190th STREET
TPT–3–1
TORRANCE, CA. 90509
Prepaired By William H. Dart Jr.
Phone 310–212–1762

118

Mobil Oil Corporation

RECEIVED
1998 FEB -5 AM 11:19
ENGINEERING DIVISION
CITY OF CULVER CITY

3700 WEST 190TH STREET
TORRANCE, CALIFORNIA 90509-2925

RECEIVED
FEB 1998
CITY ATTORNEYS OFFICE

February 2, 1998

City of Culver City
City Engineer
9770 Culver Blvd.
Culver City, CA 90232-0507

RE: ANNUAL THROUGHPUT REPORT

Pursuant to City Ordinance NO. 92-014, specifically Exhibit "C"; Mitigation Measure "CC-22", attached you will find the annualized throughput report for the operating year 1997. This report reflects 60° F. net barrels delivered to Mobil Oil's Torrance CA. Refinery.

Should you have any questions, please call me 310-21-1762.

Sincerely,

William H. Dart, Jr.

William H. Dart, Jr.
Measurement Advisor, West Coast S&L

cc: R.L.Cronin-Fruitt
J.D.Deupree

ROUTE TO	INITIAL	DATE
		2/6/98
COPY TO	City Attorney	
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