



# FEDERAL ENERGY REGULATORY COMMISSION

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Docket No. OR07-10-000

NEWS MEDIA CONTACT

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## **Commission Order Sets Stage for Pipeline Expansion To Serve Southern Nevada's Motor Fuel Needs**

The Federal Energy Regulatory Commission today approved a rate plan that would allow Calnev Pipe Line LLC to begin a four year, \$400 million expansion of its 248-mile petroleum products pipeline system to meet growing demand for fuel in Las Vegas.

In approving the plan, the Commission is allowing Calnev to recover the costs of its expansion through a combination of existing base rates and new rates involving the incremental costs associated with construction and operation of the new line. The company still must seek Commission approval for the specific new rates it will charge.

The order grants Calnev the same rate plan assurances that the Commission granted Colonial Pipeline Co. in 2006, Commission Chairman Joseph T. Kelliher said. "In both cases, the companies identified the need for substantial expansions of their systems to meet projected future demand."

FERC Commissioner Jon Wellinghoff, who is from Nevada, said the Calnev expansion will go a long way toward assuring adequate fuel supplies for growing airline and consumer needs in Southern Nevada.

"This project is vital to the economy of Southern Nevada," Wellinghoff said. "Without it, demand for fuel will outstrip supply in the next few years."

Calnev's refined petroleum products pipeline system serves consumer and military installations in Southern California and Southern Nevada. It consists of two parallel 248-mile pipelines, one 14 inches in diameter and one that is eight inches in diameter.

The company plans to build a 16-inch pipeline to move additional gasoline, diesel fuel and commercial and military jet fuel to the region, boosting capacity on its system from 143,200 barrels per day to 186,000 barrels per day.

The company notes that this capacity exceeds Southern Nevada's expected refined products demand in 2011, but asserts that given the projections of continued growth in both population and fuel demand beyond 2011, the expansion is reasonable, cost efficient and necessary.

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