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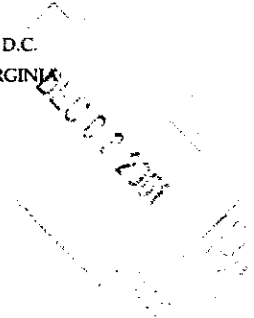
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November 29, 2001

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Via Facsimile and US Mail

Billie Blanchard, CPUC
c/o Environmental Science Associates
225 Bush St., Suite 1700
San Francisco, CA 94104-4207

Re: San Pablo Bay Pipeline Company's Comments on Draft Mitigated Negative Declaration - CPUC Application Numbers A.00-05-035 and A. 00-12-008.

Dear Ms. Blanchard:

This firm represents San Pablo Bay Pipeline Company ("SPBPC") regarding the matters reference above. In accordance with the established schedule for public review and comments, SPBPC hereby submits its comments on the Draft Mitigated Negative Declaration, dated October 30, 2001.

SPBPC's comments on the Description of the Proposed Project are as follows:

1. As a general comment, SPBPC's parent, Tosco Corporation ("Tosco"), recently merged with Phillips Petroleum Company ("Phillips"), with the result that Tosco is now a subsidiary of Phillips. SPBPC will continue to be a wholly-owned subsidiary of Tosco, but Tosco, in turn, is now a subsidiary of Phillips. The Commission addressed this merger, albeit not with respect to SPBPC, in Decision No. 01-05-021, dated May 3, 2001. Phillips and Conoco also have announced that they intend to merge in the future.

2. The Draft Mitigated Negative Declaration is contradictory and imprecise in describing the approved uses of the pipeline assets and appurtenant facilities ("Pipeline"). For example, page 1-2 correctly notes: "The Initial Study assumes the sale

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of the Pipeline would not change its current CPUC-approved use: transport of 'oil, petroleum, and products thereof' (CPUC Decision No. 84448)." In other places, however, the Draft Mitigated Negative Declaration uses a less inclusive description of the permitted uses. For example, in Section 1.6.11 the Draft states: "The Richmond to Pittsburg Fuel Oil Pipeline and Hercules Pump Station were constructed specifically to transport fuel oil and would require significant modification to be used for other purposes. Any change in use of the pipeline and Hercules Pump Station initiated by SPBPC would require CPUC approval." These statements could be misinterpreted to limit the CPUC approved use of the Pipeline to fuel oil. It is important that the Final Mitigated Negative Declaration clarify that the current CPUC permitted use is not limited to the transport of fuel oil, but includes the "transport of oil, petroleum and products thereof." SPBPC does not have to seek additional authority from the CPUC to transport oil, petroleum, and products thereof. Furthermore, contrary to the Draft's statement, significant modifications to the pipeline and Hercules Pump Station would not necessarily be needed to transport other types of "oil, petroleum, and products thereof."

J1 cont.

This same lack of precision with respect to the CPUC approved uses of the Pipeline occurs elsewhere. The third paragraph of Page XII-2 a) indicates that the pipeline would likely be used to transport fuel oil. This is not necessarily correct. Again, the more inclusive approved use of "oil, petroleum, and products thereof" should be substituted. This change is consistent with the CPUC approved uses and also with the last sentence of Section 1.6.11 regarding reasonably foreseeable uses of the Pipeline.

3. Section 1.6.11 states that Tosco has one refinery in the area that could be fueled by petroleum. The term "fueled" is not correct. The refinery is not "fueled" by petroleum, but "processes" oil, petroleum and products thereof that could be moved through the pipeline. The refinery is "fueled" by refinery gas, electricity and natural gas.

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4. Section 1.6.11 of the Draft Mitigated Negative Declaration states that Tosco has several refineries and transport facilities along the route of the pipeline. While there are several refineries and transport facilities along the pipeline route that are owned by others that could be served by SPBPC, the only facility owned by Tosco is the Rodeo refinery.

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5. Section 1.7.1 seems to indicate that there is more than one operator actually on site during start up operations. This is not necessarily true. During start up of pumping operations, an on site operator will monitor activities at the site, but system controls may be monitored by an operator off-site.

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The Draft indicates that both Pacific Gas and Electric Company and SPBPC have agreed to all of the proposed mitigation measures. While this is generally correct

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for most of the proposed Mitigation Measures, in a couple of instances the proposed mitigation measures seem to have been modified from that discussed with the applicants or may be improved. SPBPC's comments on the Mitigation Measures are as follows:

1. The timing associated with Mitigation Measures III.1 (Air Quality), IV.1 (Biological Resources), VII.1 (Hazards and Human Health) and VII.1b (Hazards and Human Health) are keyed to the transfer of title of the Pipeline to SPBPC. SPBPC believes that the timing for the implementation of these Mitigation Measures can be improved by referencing them to the more appropriate time of the start of construction. The Mitigation Measures should be modified accordingly.

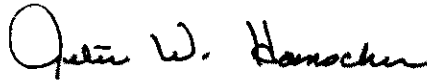
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2. Mitigation Measure I.1 (Aesthetics). The Mitigation Measure requires the submission of an aesthetic resources plan to the East Bay Regional Park District and to the City of Martinez. As SPBPC commented previously, it does not believe that an aesthetic resources plan should be required to be submitted to these agencies, unless they specifically request that SPBPC do so.

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SPBPC appreciates the opportunity to comment on the Draft Mitigated Negative Declaration.

Yours truly,



Peter W. Hanschen

cc Jeff Dill, Esq., San Pablo Bay Pipeline Company
Robert A. McElroy, Jr., San Pablo Bay Pipeline Company
Paul Holton, Pacific Gas and Electric Company