

ORIGINAL

Decision No. 45426

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
PROGRESS PACIFIC PIPE LINE COMPANY,)	
a corporation,)	Application
)	No. 32854
for authority to reduce stated capital,)	
adjust issued capital stock, and)	
make distribution.)	
-----)	

OPINION AND ORDER

This is an application for an order of the Commission authorizing Progress Pacific Pipe Line Company to issue shares of stock of the aggregate par value of \$95,250 in exchange for shares of stock now outstanding.

Applicant is a California corporation organized on February 17, 1951. In Application No. 32215, filed on March 16, 1951, it reported that it proposed to construct, at a cost of approximately \$120,000,000, and thereafter to operate, two pipe lines extending from a point near the Town of Hobbs, New Mexico, or from a point within the State of Texas, to the City of Long Beach, California, for the transportation of crude oil and petroleum products, exclusive of gas; that it estimated its organization and preliminary expenses at \$190,500, as set forth in detail in said application; and that initially it desired authority to issue and sell \$190,500 par value of its common stock to meet these expenses.

Pursuant to authority granted by Decision No. 45549, dated April 10, 1951, applicant issued and sold said \$190,500 of stock and

up to September 30, 1951, disbursed \$45,179.82 of the proceeds, leaving a balance of cash on hand of \$145,320.18. It now reports that delays have been encountered in obtaining engineering and economic reports and that it has not been necessary for it to use all the funds as originally contemplated nor has it been possible to develop its plans to a point where they may be presented to the Commission in a further application for authority to construct and finance the proposed facilities. It appears that such plans will not be so developed until some time in 1952, and applicant now is of the opinion that \$95,250 will be ample to cover the expenses of preliminary operations until such time as such further application is filed. Accordingly, it desires to reduce the amount of stock outstanding by one-half, thereby creating a reduction surplus of \$95,250 which it proposes to distribute to the holders of its shares. The application shows that all the stockholders have agreed to the reduction of the stated capital and the proposed distribution. (1)

The Commission has considered this matter and is of the opinion that a public hearing thereon is not necessary; that the application should be granted, as herein provided; that the money, property or labor to be procured or paid for through the issue of the shares of stock herein authorized is reasonably required by applicant for the purpose specified herein; and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

(1)

Reports filed with the Commission show that the shares of stock were issued to the following persons:

Marc D. Leh	\$ 75,000
David E. Brown	75,000
E. B. Gilmore	20,000
Frank O. Maxwell	20,000
J. T. Maxwell	500
Total	<u>\$190,500</u>

IT IS HEREBY ORDERED as follows:

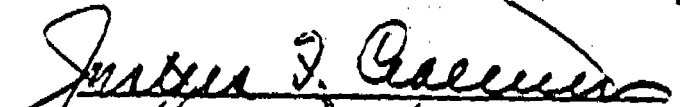

1. Progress Pacific Pipe Line Company, after the effective date hereof and on or before February 29, 1952, may issue its shares of stock of the aggregate par value of \$95,250 in exchange for the shares of stock now outstanding, and may distribute the reduction surplus thereby created to its shareholders as outlined in this application.


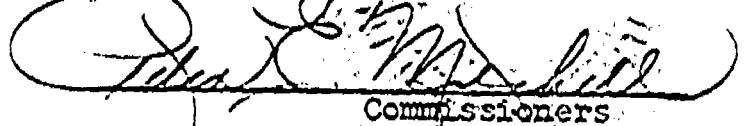
2. Applicant shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 20th day of November, 1951.


President



Commissioners