

ORIGINAL

Decision No. 52923

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Southern Pacific Pipe Lines, Inc.,
for authority to issue additional
stock.

Application
No. 37872

OPINION AND ORDER

In this application the Commission is asked to make an order authorizing Southern Pacific Pipe Lines, Inc., to issue 10,000 shares of common stock without par value at \$100 a share.

Applicant is a Delaware corporation. It has constructed a pipeline system in the states of California, Arizona, New Mexico and Texas, and has filed with this Commission its tariffs naming rates for intrastate transportation of refined petroleum products as a common carrier by pipeline. It appears that its operations were started on or about January 1, 1956.

According to Exhibit B, the company has invested \$28,278,766 in its carrier properties and has financed itself in part through the issue of 40,000 shares of stock to Southern Pacific Company and in part with borrowed money. It proposes at this time to issue an additional 10,000 shares of stock to Southern Pacific Company to discharge \$1,000,000 of obligations representing cash advances used by it for construction purposes.

The Commission has considered this matter. It is of the opinion that a public hearing is not necessary, that it has jurisdiction over the issue of said 10,000 shares of stock, that the

money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required by applicant for the purpose specified herein, that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, and that the application should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. Southern Pacific Pipe Lines, Inc., may issue and sell 10,000 shares of common stock to Southern Pacific Company on or before September 30, 1956, for the purpose of discharging indebtedness of \$1,000,000.

2. Southern Pacific Pipe Lines, Inc., shall file with the Commission a report, or 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 on the date hereof.

Dated at San Francisco, California, this 24th day of April, 1956.

E. P. Kelly
President

Justus J. Casner

Paulo Venturini

William D. Dooly

R. H. Hart

Commissioners