

Decision No. 86125

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SOHIO TRANSPORTATION
COMPANY OF CALIFORNIA to issue 10,000
shares of \$1.00 par value capital
stock for working capital.

Application No. 56445
(Filed April 29, 1976)

INTERIM OPINION

This is an application for the issuance of 10,000 shares of capital (common) stock of \$1.00 par value by Sohio Transportation Company of California (Sohio), a newly formed California corporation.

Sohio represents that all the securities will be purchased by and issued to The Standard Oil Company (Standard), a publicly owned corporation organized under the laws of the state of Ohio. After such issue, Sohio will be a wholly owned subsidiary of Standard. The proposed shares are to be issued solely for the purpose of obtaining a small amount of initial working capital. The consideration to be received by Sohio from Standard for these shares is \$10,000.

Since Sohio is a newly formed corporation, it owns no property and has not yet engaged in any business, and thus has no existing financial statements. Sohio represents that Standard will advance funds as needed for Sohio's benefit. Sohio proposes to acquire rights-of-way in California for the acquisition and/or construction, as well as the necessary operation and maintenance, of a pipeline(s) and related facilities for the transportation of liquid hydrocarbons in California as a public utility pipeline corporation. It proposes to transport all liquid hydrocarbons tendered for such purpose and proposes to file its tariff containing rates, rules, and

regulations relating thereto when it is ready to commence operations. Its principal place of business is in the county of Los Angeles.

Since Sohio proposes to operate a pipeline as defined in Section 227 of the Public Utilities Code (Code) and will be a pipeline corporation within the meaning of Code Section 228, it necessarily is a public utility under Code Section 216, and thus subject to our jurisdiction. We see no objection to the proposed stock issue; it should be authorized pursuant to Code Section 818.

However, the stock to be issued is to obtain working capital to construct facilities which may have a significant effect on the environment in California. In recognition of this fact this Commission, in conjunction with the Port of Long Beach, is preparing an environmental impact report (EIR) with respect to the facilities which Sohio proposes to construct. Any further action by the Commission in this proceeding must await the completion of a final EIR for what has been called the Sohio Transportation Company West Coast-Midcontinent Pipeline Project (the Sohio Project). Therefore, this order will be interim in nature.

Findings

1. The proposed security issue is for a proper purpose and the money, property, or labor to be procured or paid for by the issue of the security authorized by this decision is reasonably required for the purposes specified, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.
2. The consideration to be received for the shares herein authorized to be issued is \$10,000. The purchaser is Standard.
3. Sohio proposes a pipeline operation as defined in Code Section 227.
4. Sohio proposes to transport liquid hydrocarbons tendered by the public or a portion thereof and proposes to file tariffs relating to its pipeline(s) when it commences operations.

5. Sohio is a pipeline corporation within the meaning of Code Section 228.

6. Sohio is a public utility subject to our jurisdiction pursuant to Code Section 216.

7. A public hearing is unnecessary.

8. The Commission, in conjunction with the Port of Long Beach, is preparing an EIR with respect to the facilities which Sohio proposes to construct, and for which Sohio is seeking the issuance of working capital.

9. Any further action by the Commission in this proceeding must await the completion of a final EIR for the Sohio Project.

We conclude that the application should be granted in accordance with the ensuing order.

INTERIM ORDER

IT IS ORDERED that:

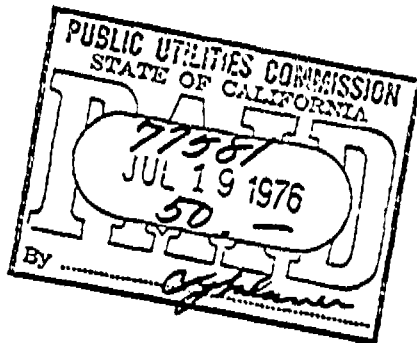
1. Sohio Transportation Company of California may issue at par for cash to be used for working capital, not exceeding 10,000 shares of its \$1.00 par value capital (common) stock to The Standard Oil Company, a publicly owned corporation organized under the laws of the State of Ohio.

2. The issuer of the securities authorized by this order shall file with the Commission a report, or reports, as required by General Order No. 24-Series.

3. The Standard Oil Company is authorized to acquire and control Sohio Transportation Company of California.

The authority granted by this order to issue stock will become effective when the issuer has paid the minimum fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$50. In other respects the effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 19th day of JULY, 1976.



William Lynne J. Stinger
President

Commissioners

Commissioner Leonard Ross, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Robert Batimovich, being necessarily absent, did not participate in the disposition of this proceeding.