

Decision 84 G7 109

JUL 18 1984

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
FOUR CORNERS PIPE LINE COMPANY, a  
Delaware corporation, and STANDARD  
GAS COMPANY, an Idaho corporation,  
for authority to sell utility property,  
pursuant to the provisions of Section  
851 of the Public Utilities Code of  
the State of California.

Application 84-01-67  
(Filed January 30, 1984)

**ORIGINAL**

O P I N I O N

Four Corners Pipeline Company (Four Corners) requests authority pursuant to Section 851 of the Public Utilities (PU) Code to sell a pipeline to Standard Gas Company (Standard). Four Corners is operating as a common carrier by pipeline of both crude petroleum and petroleum products between points in California. Standard, a wholly owned subsidiary of Chevron U.S.A. (Chevron), is engaged in the ownership and operations of oil and gas pipelines in California.

The property to be transferred consists of just over six thousand feet of six-inch steel pipeline lying within the streets of the City of Los Angeles. Four Corners states that pipeline is no longer necessary or useful in the performance of its duties to the public and that since May 1, 1978, when the pipeline was first dedicated to common carrier service, the only shipper to use these facilities has been the prospective purchaser, Standard. Four Corners does not believe that there would be any other shippers using the pipeline in the future since Standard's parent, Chevron owns the only oil production facilities in the immediate vicinity of this pipeline. The application states that the proposed sale will permit Standard to operate and maintain the pipeline in a manner to best satisfy its needs and, furthermore, that the sale will benefit Four Corners' other shippers by eliminating from Four Corners' rate base an asset which is no longer of benefit to them.

The pipeline was acquired by Four Corners on May 1, 1978 at a cost of \$41,012. The net book value of the property as of December 1, 1983 was \$18,038. Under the terms of the sales agreement attached to the application, Four Corners proposes to sell the subject pipeline to Standard for \$40,000. No franchises or permits will be transferred with the pipeline.

The Commission has received no objections to the proposed transfer.

Findings of Fact

1. The pipeline to be transferred is not used or useful to Four Corners in the discharge of its public utility obligations.
2. The proposed sale will not be adverse to the public interest.
3. A hearing on this application is not necessary.
4. The transfer will have no significant effect on the environment.

Conclusion of Law

Four Corners should be granted on an ex parte basis authority to transfer the pipeline subject to the provisions of the following order.

O R D E R

IT IS ORDERED that:

1. Four Corners Pipeline Company (Four Corners) is authorized to transfer the pipeline described in Exhibit C to the application to Standard Gas Company (Standard) in accordance with the terms specified in said Exhibit C.
2. Upon completion of the transfer Four Corners shall be relieved of its public utility obligations related to the transferred property.

3. Prior to the effective date of the sale, Four Corners shall file with the Commission a tariff revision cancelling the presently effective rate charged by Four Corners for transportation of crude petroleum in the pipeline being sold.

4. This authorization shall not be construed as a finding of the value of the property being transferred.

5. The application is granted as set forth above.

This order becomes effective 30 days from today.

Dated July 18, 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.  
President

VICTOR CALVO

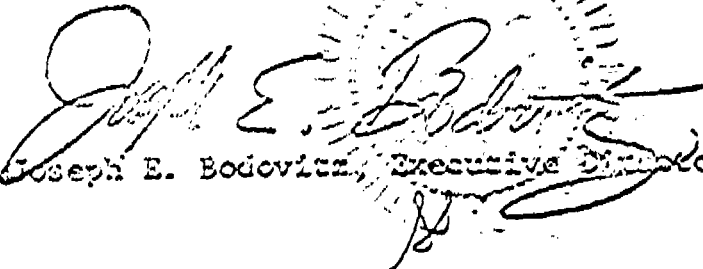
PRISCILLA C. GREW

DONALD VIAL

WILLIAM T. BAGLEY

Commissioners

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY.

  
Joseph E. Bodovitz, Executive Director

3. Prior to the effective date of the sale, Four Corners shall file with the Commission a tariff revision cancelling the presently effective rate charged by Four Corners for transportation of crude petroleum in the pipeline being sold.

4. This authorization shall not be construed as a finding of the value of the property being transferred.

This order becomes effective 30 days from today.

Dated JUL 18 1984, at San Francisco, California.

LEONARD M. CRIMES, JR.  
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VICTOR CALVO  
PRISCILLA C. GREW  
DONALD VIAL  
WILLIAM T. BACLEY  
Commissioners