

Decision No. 87432 June 7, 1977

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)

FINAL OPINION

In Decision No. 86125, an interim order, dated July 19, 1976, the Commission authorized Sohio Transportation Company of California (Sohio) to issue not more than 10,000 shares of its \$1.00 par value capital (common) stock to the Standard Oil Company (Standard), an Ohio corporation, and authorized Standard to acquire and control Sohio. The shares were issued to allow Sohio a small amount of initial working capital in conjunction with its proposal to construct pipelines and related facilities for the transportation of liquid hydrocarbons in California and to operate and maintain the pipeline and related facilities as a public utility "pipeline corporation".

In Decision No. 86125 the Commission noted that the facilities which Sohio proposed to construct might have a significant effect on the environment in California, and that the Commission, in conjunction with the Port of Long Beach (Port), was preparing an Environmental Impact Report (EIR) with respect to those facilities. The Commission indicated that any further action in this proceeding must await the completion of a Final EIR for the Sohio Transportation Company West Coast-Midcontinental Pipeline Project (Project).

Project Description

Sohio proposes to construct, maintain, and operate a common carrier crude oil receiving terminal at the Port and a pipeline system to Midland, Texas. The Project is designed to transport crude oil anticipated to be surplus to west coast needs, once 1.2 million barrels per day of Alaskan oil begin to flow through the Trans-Alaska pipeline system. The receiving terminal will consist of three fixed tanker berths protected by a breakwater, six storage/surge tanks located adjacent to the berths on Pier J, and two additional tanks approximately eight miles inland at Dominguez Hills. The pipeline system, from the Port to Midland, Texas, will consist partly of new pipeline and partly of converted natural gas pipeline. The terminal will be capable of handling 700,000 barrels per day of crude oil of which 200,000 barrels per day will be distributed to the Los Angeles area refineries. The pipeline itself will be capable of transporting 500,000 barrels per day to Midland, Texas.

Summary of Procedures Relating to EIR

By written agreement, dated March 30, 1976, this Commission and the city of Long Beach, acting by and through its Board of Harbor Commissioners, agreed to jointly prepare an EIR for the Project. The agreement was approved by the Director of the Governor's Office of Planning and Research. The agreement specifically waived application of Rules 17.1(f) and (g) of the Commission's Rules of Practice and Procedure. The waiver was made pursuant to the Commission's authority under Section 1701 of the Public Utilities Code and Rule 87 of the Commission's Rules of Practice and Procedure to secure a just and speedy determination of the environmental issues presented by the Project.

The Draft EIR was completed in September 1976. It contains the following segments:

Volume 1. Port Terminal and Storage Facilities

Part 1 Project description and material on the environmental setting (physical, biotic, economic, and sociocultural environment), supplemental environmental setting (alternative terminal sites to Hynes), environmental impacts, unavoidable adverse impacts and mitigating measures, evaluation of project alternatives, the relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity, the growth-inducing impact of the proposed action, water quality aspects, and appendices dealing with air quality impacts, noise study, terminal capacity analysis, traffic impacts, and quarry resources.

Part 2 Material on the natural environment (including physical and biotic environment), the public service systems (public safety and health, utilities, human services, traffic, and transportation), economic impacts, and sociocultural impacts.

Volume 2. Pipeline from Long Beach to Colorado River

Part 1 A summary, project description (route, components, construction, operation, and implementation), environmental analysis (climate, air quality, noise, geology, soils, water, agriculture, vegetation, wildlife, cultural resources, and land use).

Part 2 Material discussing environmental analysis (land use planning, socioeconomics, traffic, and utilities and services), relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity, irreversible and irretrievable commitment of resources, growth-inducing impacts, alternatives to the proposed action, proposed related projects, permits and compliance with other regulations and codes, and appendices dealing with 13 related subjects.

Volume 3. Supporting Documents

Part 1 A forecast of energy supply and demand; the impact of El Paso Natural Gas Company's and Southern California Gas Company's proposed abandonment of pipeline capacity, and their economic and environmental implications.

Part 2 An alternatives study, including overview, assessment methodology, and alternatives.

Part 3 Tanker Traffic Study, including a discussion of ship traffic, ship accidents, and crude oil spills.

The Draft EIR also includes references to the Master Environmental Setting (MES) for the Port. The MES includes material on the physical, biotic, sociocultural, and economic environment of the Port. Copies of the MES were made available to interested persons upon request.

On October 19, 1976, 10 copies of the Draft EIR for the Project, together with California State Clearinghouse Form CA-189, and a letter of transmittal dated October 18, 1976 were delivered to the State Clearinghouse. The Project was assigned State Clearinghouse Number (SCH) 76102673.

Copies of the Draft EIR were also placed in public libraries in the cities and counties in which the proposed project will be located, as well as in San Francisco, Oakland, San Jose, and Sacramento.

Public hearings were held on November 30, 1976 at the Harbor Department Building, Long Beach; on December 6, 1976 at the Los Angeles County Supervisors Board Room, Hall of Administration, Los Angeles, California; and on December 14, 1976 at the City Hall, San Bernardino, California.

Approximately 30 days prior to the first public hearing, notice of all three hearings was posted in the City Hall of Long Beach and in the County Courthouse in Long Beach. The notice was also published in the Public Utilities Commission Calendar, the California EIR Monitor, newspapers of general circulation in the cities and counties in which the proposed project will be located, as well as in newspapers of general circulation in San Francisco and Sacramento. The notice of public hearings was published for three to five successive days in the newspapers of general circulation.

Numerous oral and written comments were received pertaining to the Draft EIR and responses to each comment were prepared. All of the comments and responses thereto are included in the Final EIR, which consists of the Draft EIR discussed above and a new Volume 4. This volume is comprised of segments briefly described as follows:

Volume 4.

Part 1 Revised Project Description
and Comments Received

The project description was revised in response to issues raised during the review process concerning the mitigation of potentially adverse impacts identified. Verbatim reproduction of comments, questions, and recommendations received during the review process are included, together with a summary of oral testimony received during the public hearings on the Draft EIR.

Part 2 Responses to Comments Received

Responses of the Lead Agencies (the Public Utilities Commission and the Port) to the comments, questions, and recommendations received are described, answering the significant environmental issues raised, identifying revisions to the Project in order to mitigate potential impacts, and discussing issues raised when the Lead Agencies' position is at variance with recommendations and objections received; new data, including discussion of alternatives to oil storage tanks on Pier J, Long Beach, and an analysis of the potential seismic disturbances along the Palos Verdes Fault.

Part 3 Revised Air Quality Appendix

The Air Quality Appendix in Volume 1, Part 1, has been revised, due to alterations in the Project description and revisions to the air pollutant emissions factors developed.

Part 4 The Guadalupe Dunes Alternative

An analysis of the Guadalupe Dunes area as a potential alternative location for the Project is described in greater detail.

Part 5 Economic Analysis of Alternative Transport Systems for the Disposal of Surplus Alaskan Crude Oil

An evaluation, for comparison purposes, of the transportation costs for several proposed systems to deliver North Slope crude oil to the Midwest and Gulf Coast areas of the United States.

The Commission does not take issue with ARB's findings; rather it merely affirms the validity of its own mode of analysis based on its own logical assumptions. The ARB and the South Coast Air Quality Management District (SCAQMD) themselves apparently disagree over certain assumptions underlying their analysis of Sohio's application. ARB, in its studies, has utilized a ratio of 2:1 for each contaminant as necessary to qualify as a trade-off emission. The SCAQMD recently indicated to Sohio that a ratio of 1.2:1 would suffice for purposes of trade-offs. Different assumptions will obviously result in different conditions. As information and data develop in the future, it will obviously be utilized in the various permitting processes. However, the EIR process must ultimately reach a point of conclusion to insure that the intent of CEQA is fulfilled.

The Commission maintains that the assumptions underlying and utilized in preparation of the Final EIR retain their validity and adequacy. It is acknowledged that the Final EIR contains analysis as to various potential environmental impacts predicated upon various scenarios and assumptions. The Commission further acknowledges that different analysis may be developed under countless other scenarios and differing sets of assumptions. New data and methodologies are and will continue to be developed throughout the various permitting processes; yet, in order to ever conclude the EIR process, the development and incorporation of information must terminate at some logical and legally sufficient point in time.

The following situation graphically illustrates the problem inherent in an effort to include in the Final EIR any and all relevant information developed during the course of the various permitting processes. On May 2, 1977 the Port of Long Beach Harbor Commissioners certified the Final EIR and made it accessible to the public. Subsequently, during the first week of June, the State Air Resources Board (ARB) and applicant Sohio, in the course of the ARB's independent permitting process, reached substantial agreement as to the level of emissions potentially resulting from applicant's proposed project. Utilizing a totally different mode of analysis with correspondingly different parameters for purposes of the particular permitting process-- a subject-specific process which necessarily involves technical detail beyond that legally required for an EIR, the ARB and Sohio concluded that emissions generated by the Sohio project would be higher than that stated in the Final EIR.

The Commission has reviewed and considered the information contained in the Final EIR relating to the Project. As a result of this review and consideration of all the information contained in the Final EIR, the Commission hereby concludes and certifies that the Final EIR for the Project has been completed in compliance with the California Environmental Quality Act (CEQA) of 1970 and the Guidelines for the implementation of the act.

The Commission also concludes that Rule 17.1(j)(3) of the Commission's Rules of Practice and Procedure is not relevant to the matter at hand, since the Commission, in this instance, is only making a determination that the EIR for the Project is complete and in compliance with CEQA and the state guidelines.

FINAL ORDER

IT IS ORDERED that Decision No. 86125 dated July 19, 1976 is a final order, and no other or further action is necessary with respect to this application.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 7th day of JUNE, 1977.

Robert B. Berman
President
William Lyons, Jr.
Vernon L. Stinson
Richard W. Howell
Commissioners