

Decision 93102 MAY 19 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Application of:
FOUR CORNERS PIPE LINE COMPANY, a
Delaware Corporation, and
EDGINGTON OIL COMPANY, INC., a
Delaware Corporation, for authority
to lease utility property,
pursuant to the provisions of
section 851 of the Public Utility
Code of the State of California.

Application 60381
(Filed March 20, 1981)

O P I N I O N

Four Corners Pipe Line Company (Four Corners) and Edgington Oil Company, Inc. (Edgington) seek permission under Public Utilities Code § 851^{1/} for Four Corners to lease one of its pipelines to Edgington.

Four Corners is operating as a common carrier by pipeline of both crude petroleum and petroleum products between points in California under tariffs on file with the Commission. It proposes to lease a 12-inch petroleum pipeline, 3,365.37 ft. long, and related facilities and appurtenances. The pipeline runs from Hynes Storage to the Edgington Refinery, all in the City of Long Beach. The lease term is five years and the charges are \$4,165 per month.^{2/}

Four Corners acquired the pipeline on May 1, 1978, at a cost of \$27,391. The net book value of the pipeline as of January 1, 1981, was \$13,327. Four Corners alleges that the pipeline is no

1/ "No public utility...shall...lease...any part of its...plant... without first having secured from the commission an order authorizing it so to do..."

"Nothing in this section shall prevent the...lease...by any public utility of property which is not necessary or useful in the performance of its duties to the public..."

2/ A copy of the lease agreement is attached to the application.

longer necessary or useful to Four Corners in the performance of its duties to the public. In support of this statement it alleges that since May 1, 1978, when the pipeline was first dedicated to common carrier service, only one shipper, Edgington, has used the pipeline. Four Corners does not believe that other shippers will desire to use the pipeline in the future. The proposed lease, according to the application, will permit Edgington to operate and maintain the pipeline in a manner which best satisfies its needs. In addition, the transaction will benefit Four Corners' other shippers by removing an asset from Four Corners' rate base which is no longer useful to its shippers.

Once the transaction is approved, Four Corners will file a tariff revision canceling the presently effective rate charged by it for transportation of crude petroleum in the pipeline. A copy of the proposed tariff revision is attached to the application.

Notice of the filing of the application appeared in the Daily Calendar on March 25, 1981. No protests have been received.

Findings of Fact

1. The proposed lease is in the public interest.
2. No protests have been received. A public hearing is unnecessary.
3. Because the matter is uncontested and noncontroversial, it should be handled on an ex parte basis and the following order should be effective today.

Conclusion of Law


The application should be granted.

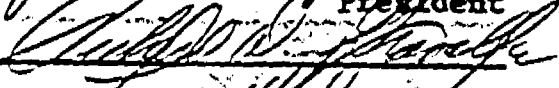
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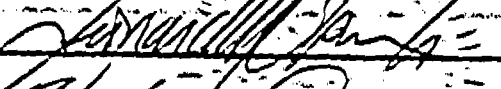
IT IS ORDERED that Four Corners Pipe Line Company is authorized to lease the pipeline described in the application to Edgington Oil Company, Inc.

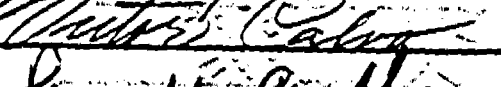
This order is effective today.


Dated MAY 19 1981, at San Francisco, California.



President








Commissioners