

ORIGINAL

Decision 93574 SEP 15 1981

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of PARTNERSHIP PROPERTIES CO. and)
SOLAR PETROLEUM, INC. for authority)
to control VALLECITOS PIPE LINE)
COMPANY by Purchase of all of its)
stock and of the Present Share-)
holders to sell its stock.)

Application 60796
(Filed August 6, 1981)

O P I N I O N

This is a joint application of Partnership Properties Co. (Partnership) and Solar Petroleum, Inc. (Solar), for authority to control Vallecitos Pipe Line Company (Vallecitos) by purchase of all of its stock and of the present shareholders of Vallecitos to sell its stock. The authority is sought under Public Utilities (PU) Code Sections 854 et seq.

Vallecitos is a California pipeline corporation, owning and operating a crude oil pipeline approximately 20 miles in length. The pipeline begins in San Benito County and terminates in Fresno County. In addition to the pipeline Vallecitos operates two 12,950-barrel storage tanks located in Fresno County. With these facilities Vallecitos transports crude oil for seven customers who produce crude oil in the vicinity of the beginning of the pipeline.

There are presently issued and outstanding 10,000 shares of the common capital stock of Vallecitos held by four shareholders. The Vallecitos shareholders, Partnership, and Solar have entered into a stock purchase agreement attached to the application as Exhibit C,

providing for the purchase by Partnership and Solar of all of the outstanding common stock of Vallecitos. The agreement provides for a purchase price of \$100,000 subject to certain adjustments at closing as set forth in the agreement.

The balance sheet of Vallecitos, as of December 31, 1980, shows the following:

Current Assets	\$531,718
Fixed Assets (Plant and Equipment less Depreciation)	<u>3,904</u>
Total Assets	\$535,622
Current Liabilities	\$393,073
Stockholders Equity	<u>142,549</u>
Total Liabilities and Stockholders Equity	\$535,622

Vallecitos' income statement for the year ending December 31, 1980 shows a net income of \$103,692.

Partnership is a general partnership organized and existing under the laws of Colorado and is the nominee of seven limited partnerships. The general partner in each of the seven limited partnerships is Petro-Lewis Funds, Inc., a subsidiary of Petro-Lewis Corporation, a Colorado corporation qualified to do business in California. Partnership will hold 5,000 shares of Vallecitos for the benefit of the limited partnerships.

Solar is a Delaware corporation qualified to do business in California. Solar's balance sheet as of December 31, 1980 shows total assets of \$3,845,086 and stockholders' equity of \$969,086. Solar's net earnings for the year ended December 31, 1980 amount to \$652,359.

Notice of the application was served upon Vallecitos' customers. No protest to the application has been received.

Findings of Fact

1. A public hearing is not necessary in this matter.
2. Transfer of control of Vallecitos to Partnership and Solar would not be adverse to the public interest.

Conclusions of Law

1. The application should be granted.
2. This authorization is not a finding for the value of the rights and properties to be transferred. Buyers Partnership and Solar are placed on notice that rates will be based upon the depreciated original cost of the plant excluding contributed plant and not on the purchase price.

This order should be effective on the date signed because the parties have agreed to close the stock purchase agreement no later than September 31, 1981.

O R D E R

IT IS ORDERED that:

1. Partnership Properties Co. and Solar Petroleum, Inc., may purchase and the present shareholders of Vallecitos Pipe Line Company may sell the 10,000 shares of common stock of Vallecitos Pipe Line Company.

2. This authority will expire six months after the effective date of this order.

3. Partnership Properties Company and Solar Petroleum, Inc., within 30 days of the sale, shall notify the Commission of the completion of this sale of the 10,000 shares of common stock of Vallecitos Pipe Line Company.

This order is effective today.

Dated SEP 15 1981, at San Francisco, California.

John E. Bryan
President
Richard D. Phillips
Thomas J. ...
Walter ...
Priscilla C. Green
Commissioners