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Decision 98-03-020 March 12, 1998

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Mobil Pacific Pipeline Company, a Delaware Corporation, and Ellwood Pipeline, Inc., a California Corporation for Authority to Sell Interests in Utility Property Pursuant to the Provisions of Section 851 of the Public Utilities Code of the State of California.

Application 97-12-025  
(Filed December 15, 1997)

**ORIGINAL**

**O P I N I O N**

**Summary**

We approve the sale and transfer by Mobil Pacific Pipeline Company (applicant) of approximately 17,334 feet of 10-inch pipeline in Santa Barbara County (the Property) to Ellwood Pipeline, Inc. (Buyer).

**Procedural Background**

Applicant is a public utility subject to the jurisdiction of the Commission. On December 15, 1997, applicant filed an application for authority to sell and transfer the Property to Buyer, which plans to use the Property for its own purposes. Notice of the application was published in the Daily Calendar on December 19, 1997. No protests were filed.

**Discussion**

No public utility may transfer its property that is necessary or useful in the performance of its duties to the public without first having secured the Commission's authorization. (Public Utilities (PU) Code § 851.) The Property is presently used for crude oil transportation by two shippers, affiliates of applicant and Buyer, respectively. Therefore, the Property is useful, and PU Code Section 851 applies.

Buyer offered to purchase the Property for \$1,000,000, subject to the approval of this Commission.

Under the California Environmental Quality Act (CEQA), we are obligated to consider the environmental consequences of projects, as defined, that are subject to our discretionary approval. (Public Resources (PR) Code Section 21080.) The proposed transfer of the Property is not a project as defined by PR Code Section 21065, because no direct or indirect physical changes in the environment are foreseeable.

Applicant requests that its gathering tariff as published in Cal. P.U.C. Advice Letter No. 5-A, pages 1-43 be canceled, as set forth in its proposed draft Advice Letter No. 7 attached to the application.

#### **Findings of Fact**

1. Applicant is a pipeline corporation utility subject to the jurisdiction of the Commission.
2. Applicant has agreed to sell the Property to Buyer.
3. The Property is presently used only by affiliates of applicant and Buyer.

#### **Conclusions of Law**

1. Transfer of the Property is subject to PU Code Section 851.
2. Transfer of the Property should be approved.
3. Applicant's gathering tariff as published in Cal. P.U.C. Advice Letter No. 5-A, pages 1-43 should be canceled, as set forth in its proposed draft Advice Letter No. 7 attached to the application.

### **O R D E R**

#### **IT IS ORDERED that:**

1. Mobil Pacific Pipeline Company (applicant) may sell and transfer to Ellwood Pipeline, Inc. approximately 17,334 feet of 10-inch pipeline in Santa Barbara County (Property) described in the application, subject to the terms and conditions described therein.
2. Applicant shall cancel its gathering tariff as published in Cal. P.U.C. Advice Letter No. 5-A, pages 1-43, as set forth in its proposed draft Advice Letter No. 7 attached to the application, within 30 days of the date of this order.

A.97-12-025 ALJ/RC1/gab

3. Application 97-12-025 is closed.

This order is effective today.

Dated March 12, 1998, at San Francisco, California.

RICHARD A. BILAS  
President  
P. GREGORY CONLON  
JESSIE J. KNIGHT, JR.  
HENRY M. DUQUE  
JOSIAH L. NEEPER  
Commissioners