

Decision 99-04-059 April 22, 1999

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Joint Application of Shell California Pipeline Company (CIS #8), Texaco California Pipelines Inc. (CIS #15), Texaco California Pipeline Company LLC and Equilon California Pipeline Company LLC for Authority to Merge Shell California Pipeline Company, Texaco California Pipeline Inc., Texaco California Pipeline Company LLC and Equilon California Pipeline Company LLC with the Surviving Entity being Equilon California Pipeline Company LLC.

ORIGINAL

Application 99-02-024
(Filed February 19, 1999)

OPINION

Summary

This decision grants the application of Shell California Pipeline Company (Shell), Texaco California Pipelines, Inc. (Texaco), Texaco California Pipeline Company LLC (Texaco California LLC), and Equilon California Pipeline Company LLC (ECPC), pursuant to Section 854 of the Public Utilities Code, to merge Shell into ECPC, Texaco into Texaco California LLC, and Texaco California LL into ECPC, with the surviving entity ultimately being ECPC.

Discussion

This application, filed February 19, 1999, asks the Commission to approve the mergers of Shell, Texaco, Texaco California LLC and ECPC, with the surviving entity being ECPC. The transaction is between four entities. Of the four, Shell and Texaco own several common carrier pipelines within the state of California which carry crude oil and related products in the Southern California area. After completion of the transaction, ECPC would control Shell and Texaco.

ECPC will be a wholly owned subsidiary of Equilon Pipeline Company LLC, an operating subsidiary of Equilon Enterprises LLC. The latter is 44% owned indirectly by Texaco Inc. and 56% owned indirectly by Shell Oil Company.

Applicants state that the transaction is in the public interest because ECPC will become an integral part of an entity that is committed to providing service to the midstream sector of the energy business and will put ECPC in a better position to provide service in the growing western pipeline markets. Applicants state that ECPC has the financial capability and the technical expertise to provide safe and efficient pipeline service. They state that the approval of the application will have no effect on the terms or conditions under which shippers currently receive service from Shell or Texaco.

Applicants make a reasonable case that the subject transaction is in the public interest and that the remaining entity has the resources and expertise to provide continued safe and reliable service to the state's pipeline customers. Assuming *arguendo* that this transaction is subject to Public Utilities (Pub. Util.) Code § 854(b) and (c), we exempt the transaction from review under that section pursuant to our authority under § 853(b) and consistent with Decision 99-03-019. We do so on the basis that the property in question has relatively small value and the transaction is unopposed.

This matter is uncontested and we grant the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), we waive the otherwise applicable 30-day period for public review and comment.

In Resolution ALJ 176-3011 dated March 4, 1999, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protests have been received. Given this status, public hearing is not necessary and it is not necessary to alter the preliminary determinations made in Resolution ALJ 176-3011.

Findings of Fact

1. Applicants seek approval of a proposed transfer of utility property pursuant to Pub. Util. Code § 854. No party has protested this application.
2. Approval of this application would not compromise the interests of the public or the customers of Shell and Texaco.

Conclusion of Law

1. The Commission should approve the application as proposed by applicants.

O R D E R

IT IS ORDERED that:

1. The application of Shell California Pipeline Company, Texaco California Pipelines Inc, Texaco California Pipeline Company LLC, and Equilon California Pipeline Company LLC for authority to merge Shell California Pipeline Company, Texaco California Pipeline Inc., Texaco Pipeline Company LLC, and Equilon California Pipeline Company LLC, with the surviving entity being Equilon California Pipeline Company LLC, is granted.

2. Application 99-02-024 is closed.

This order is effective today.

Dated April 22, 1999, at San Francisco, California.

RICHARD A. BILAS
President
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners