

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

107



FROM: Purchasing & Fleet Services Dept.

SUBMITTAL DATE:
April 2, 2004

SUBJECT: TRANSFER OF CONTROL OF PIPELINE LICENSE ISSUED TO SOUTHERN CALIFORNIA EDISON TO PACIFIC TERMINALS, LLC TO MAINTAIN AND OPERATE THE PIPELINE

RECOMMENDED MOTION: That the Board of Supervisors:

Adopt Ordinance No. 390.3 providing the transfer and control of the pipeline franchise license from Southern California Edison Company to Pacific Terminals, LLC and grant Pacific Terminals a 15 year license to maintain and operate the pipeline for the transportation of oil, petroleum, gas, and other substances.

Departmental Concurrence

BACKGROUND: In 1952 the County, by adopting Ordinance No. 390, granted to Southern California Edison Company a fifty-year franchise for the purpose of laying, maintaining, and operating a pipeline for the transportation of oil, petroleum, gas, and other substances. The pipeline laid by the company is approximately 13,200 feet in length and is located in the northwestern portion of the County. The franchise was granted under provisions in the California Public Utilities Code by which the company pays the County 2% of its annual gross receipts derived from the operation of the pipeline.

(Continued on Page 2)


ROBERT J. HOWDYSHELL, Director
Purchasing and Fleet Services Dept.

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	

SOURCE OF FUNDS:	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

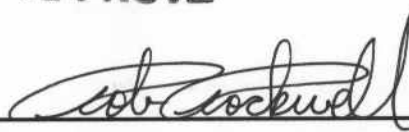
C.E.O. RECOMMENDATION:

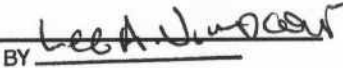
APPROVE

FORM APPROVED
COUNTY COUNSEL

APR 08 2004

County Executive Office Signature



BY 

- Dept't Recomm.: Consent Policy
- Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.:

District: ALL

Agenda Number:

3.24

Board of Supervisors

Form 11: TRANSFER OF CONTROL OF PIPELINE LICENSE ISSUED TO SOUTHERN CALIFORNIA EDISON TO PACIFIC TERMINALS, LLC TO MAINTAIN AND OPERATE THE PIPELINE

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BACKGROUND (Continued)

In the first quarter of 2001, representatives from Southern California Edison Company met with the County and advised the County that Southern California Edison Company is now in the process of conducting negotiations and going through the regulatory process to sell most of the pipeline and oil storage facilities located in California. The very limited portion of its pipeline system that is located in an unincorporated portion of Riverside County (which is the subject of the current franchise in Ordinance No. 390), eventually will be transferred to a new owner as part of the sale once the transaction is completed. The decision was approved by the Board on July 2, 2002 to grant a one-year extension to Southern California Edison Company adopting Ordinance 390.1.

The sale was expected to close by year-end 2002, but the regulatory approval process took longer than anticipated. The Board approved on May 13, 2003 another one-year extension to Southern California Edison Company adopting Ordinance 390.2 with the understanding that the sale would be completed by 2003.

Finally, the decision of the California Public Utilities Commission approved the sale of the Southern California Edison Company to Pacific Terminals, LLC on July 31, 2003. At this time, the County of Riverside would like to transfer the Pipeline Franchise License to Pacific Terminals, LLC and grant them a 15 year license to maintain and operate the pipeline for the transportation of oil, petroleum, gas, and other substances.

In the past 5 years Southern California Edison Company has not transported any substances through the pipeline and Pacific Terminals, LLC does not have any future plans for transporting any substances as well.

FINDINGS:

- A. Granting the transfer of this license will not result in any negative impacts to the communities being served.
- B. Transfer of license will not create adverse economic or aesthetic impact upon the public or private property within Pacific Terminals, LLC pipeline area.
- C. The applicant has adequately demonstrated its financial and technical ability to perform.
- D. The decision of the California Public Utilities Commission approved the sale of the Southern California Edison pipeline to Pacific Terminals, LLC.
- E. Approving the transfer of this license will not change the use or form of the pipeline in any manner.

REVIEW/APPROVAL: County Counsel has approved the attached Ordinance 390.3.

