

ORDINANCES – SECOND READING/RECOMMENDATION

ITEM NO.	ORD. NO.	TITLE
28	11-1462	<p>AN ORDINANCE OF THE CITY OF CARSON, CALIFORNIA, GRANTING A PUBLIC UTILITY PIPELINE FRANCHISE TO CRIMSON CALIFORNIA PIPELINE, L.P.</p> <p>ES/RR INTRODUCED 3/1/11; ITEM NO. 8 5/0/0/0</p> <p>ACTION:</p> <p>DESCRIPTION OF VOTE: Maker/Second Ayes/Noes/Abstain/Absent</p> <p>LEGEND: JD:Dear ES:Santarina MG:Gipson DH:Davis-Holmes RR:Ruiz-Raber</p>

ORDINANCE NO. 11-1462

AN ORDINANCE OF THE CITY OF CARSON, CALIFORNIA, GRANTING A PUBLIC UTILITY PIPELINE FRANCHISE TO CRIMSON CALIFORNIA PIPELINE, L.P.

The City Council of the city of Carson hereby finds and resolves:

Section 1. Recitals.

A. On November 2, 1999, the City Council passed Resolution No. 99-090 delineating certain locations for the installation and operation of pipelines or other facilities in connection with a public utility pipeline franchise awarded to Unocal California Pipeline Company, ("Unocal" herein).

B. On November 16, 1999, the City Council adopted Ordinance No. 99-1175 granting to Unocal a twenty-five (25) year franchise to construct, lay, operate, maintain, use, renew, repair, replace, remove, change the size and number of, and remove or abandon in place a pipes and pipelines for conducting, transporting, conveying and carrying oil, gas, petroleum, wet gas, hydrocarbon substances, water, waste water, mud, steam and other liquid substances not more hazardous than the aforesaid substances on, along, in, under and across designated public streets, ways, alleys and places within the city of Carson.

C. Subsequent to the granting of the franchise to Unocal, Unocal California Pipeline Company merged and was acquired by ConocoPhillips Pipeline Company becoming a direct subsidiary of the same.

D. On July 1, 2008, ConocoPhillips Pipeline Company (formerly Unocal) sold a part of its franchise to Crimson California Pipeline L.P. ("Franchisee" herein), a California limited partnership.

E. On December 5, 2000, the City Council passed Resolution No. 00-114 delineating certain locations for the installation and operation of pipelines or other facilities in connection with a public utility pipeline franchise awarded to Equilon Enterprises LLC ("Equilon" herein) also known as Shell California Pipeline Company, LLP ("Shell" herein).

F. On December 19, 2000, the City Council adopted Ordinance No. 00-1209 granting to Equilon a twenty-five (25) year franchise to construct, lay, operate, maintain, use, renew, repair, replace, remove, change the size and number of, and remove or abandon in place a pipes and pipelines for conducting, transporting, conveying and carrying oil, gas, petroleum, wet gas, hydrocarbon substances, water, waste water, mud, steam and other liquid substances not more hazardous than the aforesaid substances on, along, in, under and across designated public streets, ways, alleys and places within the city of Carson.

G. On April 26, 2005, Shell California Pipeline Company, LLP sold a part of its franchise to Crimson California Pipeline L.P. ("Franchisee" herein), a California limited partnership.

[More]

I. On August 31, 2007, Shell California Pipeline Company, LLP sold an additional part of its franchise to Franchisee, a California limited partnership.

J. Subsequently, Franchisee filed with the City Council an application requesting approval of a public utility pipeline franchise.

K. On January 18, 2011, the City Council adopted Resolution No. 11-004 to consider the granting of a public utility pipeline franchise to Franchisee.

L. The City Council has considered the request from Franchisee and has determined that the granting of a franchise to Franchisee is in the public interest.

Section 2. Grant of Franchise. The City council hereby grants a public utility pipeline franchise to Franchisee for a period of 25 years to lay or construct from time to time, and maintain, operate, renew, repair, change the size of, remove or abandon in place pipes and pipelines for the collection, transportation or distribution of oil, gas, gasoline, petroleum, wet gas, hydrocarbon substances, water, wastewater, mud, steam and other liquid substances not more hazardous than the aforementioned substances, together with all manholes, valves, appurtenances and service connections necessary or convenient for the operation of such pipes or pipelines including conduits, cathodic protection devices, wires, cables and other appurtenances necessary or convenient for the exercise of the franchisee's business, in, under, along or across any and all streets within the city of Carson, as approved from time to time by Resolution of the City Council. The Franchise shall be solely for a public utility pipeline system.

Section 3. Compensation. Franchisee shall pay to the city of Carson the following amounts or the franchise will be forfeited:

A. Base Annual Fee.

A base annual fee shall be paid within sixty (60) days after the end of each calendar year and during the life of the franchise for each and every year, including the year of granting the franchise, according to the "franchise payment period" as defined in Carson Municipal Code Section 6830., by multiplying the pipe length expressed in feet by the applicable base rate as follows:

[More]

Pipe Size (Internal) Diameter in Inches	Base Rate Per Lineal Foot
0 – 4	\$0.088
6	0.132
8	0.176
10	0.220
12	0.264
14	0.308
16	0.352
18	0.396
20	0.440
22	0.484
24	0.528
26	0.572
28	0.616
30	0.660

For pipelines with an internal diameter not listed above, the fees shall be in the same proportion to the fees of a twelve inch (12") diameter pipe as the diameter of the unlisted pipe is to twelve inches (12"). The formula used in arriving at the annual fee shall apply to any existing, replacement, modification or extension of the pipe.

B. Adjustments.

1. The amount of the base fee provided for in subsection A of this Section 3 shall be adjusted at the time payment is due by multiplying the base fee by the Consumer Price Index, All Urban Consumers for the Los Angeles-Anaheim-Riverside Area as published by the United States Department of Labor, Office of Information for the month of September immediately preceding the month in which payment is due and payable, and divided by the Consumer Price Index for June 30, 1989 (June 30, 1989 = 100.0).
2. In no event shall an annual fee be charged which is less than the base annual fee amount established by subsection A of this Section 3.
3. The indices specified in subsection (B) (1) of this Section are calculated and published by the United States Department of Labor, Bureau of Labor Statistics. If the Bureau discontinues the calculation or publication of the Consumer Price Index, All Urban Consumers for the Los Angeles-

Anaheim-Riverside area (June 30, 1989 = 100), and no transposition table is available to convert to another index, then the amount of each annual adjustment in base fees shall be computed by using a comparable governmental index.

Section 4. Prior Franchises. Pursuant to Carson Municipal Code section 6819 all facilities erected, constructed, laid, operated or maintained by the grantee in the streets, including services connected with the grantee's facilities, whether installed by the grantee or not, in the area described in and by virtue of the authority provided by the ordinance granting the franchise, prior to the effective date of said ordinance, except those maintained under prior right other than franchise, shall become subject to all the terms and conditions of such ordinance upon such effective date.

Franchisee shall assume and pay all costs and base annual fees due and owing as of the date of the transfer, assignment, or sale to Franchisee by prior franchise grantors.

Section 5. Term. The Franchise granted by this Ordinance shall commence on and shall run for a period of twenty-five (25) years from and after its effective date, or until such Franchise is voluntarily surrendered or abandoned by the Franchisee, or until the State or some municipal or public corporation thereunto duly authorized by law shall purchase by voluntary agreement or shall condemn and take under the power of eminent domain all property actually used and useful in the exercise of such Franchise and situated within the territorial limits of the State, municipal, or public corporation purchasing or condemning such property, or until such Franchise is forfeited for noncompliance with its terms by the Franchisee.

Section 6. Compliance with Law. The Franchisee shall comply with all applicable statutes, codes, regulations and ordinances, including, but not limited to, the insurance and faithful performance bond requirements of Carson Municipal Code Sections 6809 and 6810.

Section 7. Acceptance. The Franchisee shall, within thirty (30) days after passage of this Ordinance, file with the City Clerk of the city of Carson, a written acceptance of the terms and conditions of this Ordinance.

Section 8. CEQA. The pipelines which are the subject of this Franchise were previously owned and operated by ConocoPhillips Pipeline Company under Ordinance No. 99-1175 and Equilon under Ordinance No. 00-1209. The Franchisee will continue use of the pipelines as previously approved. Therefore, this Franchise is exempt from the requirements of California Environmental Quality Act as a Class 1 Categorical Exemption, Existing Facilities, pursuant to Section 15301 of the CEQA Guidelines.

PASSED, APPROVED and ADOPTED this ____ day of March, 2011.

Mayor Jim Dear

ATTEST:

City Clerk Helen S. Kawagoe, MMC

APPROVED AS TO FORM:

City Attorney