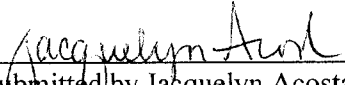





City of Carson Report to Mayor and City Council

February 5, 2013
New Business Consent

SUBJECT: CONSIDERATION OF RESOLUTION NO. 13-003 APPROVING CONOCOPHILLIPS COMPANY'S REQUEST FOR A FRANCHISE ASSIGNMENT TO PHILLIPS 66 COMPANY


Submitted by Jacquelyn Acosta
Director of Administrative Services


Approved by David C. Biggs
City Manager

I. SUMMARY

The City Council is being asked to approve an assignment of the nonpublic utility pipeline franchise granted to ConocoPhillips Company by Resolution No. 04-096 to Phillips 66 Company. The franchisee currently operates 89,663.70 linear feet of nonpublic pipelines within the City of Carson (City).

II. RECOMMENDATION

WAIVE further reading and ADOPT Resolution No. 13-003, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, CONSENTING TO THE ASSIGNMENT OF CONOCOPHILLIPS COMPANY'S NONPUBLIC UTILITY PIPELINE FRANCHISE TO PHILLIPS 66 COMPANY."

III. ALTERNATIVES

TAKE other action as the City Council deems appropriate.

IV. BACKGROUND

In November, 1998, Unocal California Pipeline Company (UNOCAP) changed its name to Union Pipeline Company (California). Thereafter, UNOCAP was known as Union Pipeline Company (California) and was wholly owned by TOSCO Corporation (TOSCO). Both the previous Unocal California Pipeline Company and the new Union Pipeline Company (California) were referred to with the acronym UNOCAP.

On October 5, 1999, the City Council adopted Resolution No. 99-091 (Exhibit No. 2), declaring its intention to grant a nonpublic utility pipeline franchise to the TOSCO Corporation (TOSCO).

On November 2, 1999, the City Council adopted Resolution No. 99-092 (Exhibit No. 3), delineating the locations for the installation and operation of 88,381.70 linear feet of nonpublic utility pipelines and appurtenant facilities in connection with the pending TOSCO franchise.

On November 16, 1999, the City Council adopted Ordinance No. 99-1176 (Exhibit No. 4) granting a 25-year nonpublic utility pipeline franchise to TOSCO 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 and distribution of oil, gasoline, petroleum, 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 designated streets within the City.

In 2001, Phillips Petroleum Company merged with TOSCO and held TOSCO and UNOCAP as subsidiaries.

On January 1, 2003, TOSCO merged with and into ConocoPhillips Company, and as a result, UNOCAP, which was owned by TOSCO, was sold to ConocoPhillips Company. TOSCO was no longer a legal entity.

On July 20, 2004, the Council adopted Resolution No. 04-096 (Exhibit No. 5), consenting to the assignment (by merger) of the TOSCO nonpublic utility pipeline franchise to ConocoPhillips Company and approved an additional 1,282 linear feet of 12-inch pipelines that was acquired from Santa Fe Pacific Pipeline L.P. (SFPP).

On July 1, 2012, ConocoPhillips Company separated its refining and marketing operations from its exploration and production operations into two separate stand alone companies. Phillips 66 Company is the global refining and marketing company and ConocoPhillips Company is the global exploration and production company.

An application for the franchise assignment was received and referred to Community Development, Public Works, the Los Angeles County Fire Department Petrochemical Unit, Emergency Services, and the City Attorney. All reviewing agencies approved the assignment of the franchise.

The granting of a franchise assignment is exempt from the requirements of the California Environmental Quality Act (CEQA), pursuant to Section 15301(b).

Adoption of Resolution No. 13-003 (Exhibit No. 1) will approve the franchise assignment from ConocoPhillips Company to Phillips 66 Company. Phillips 66 Company will continue to operate 89,663.70 linear feet of nonpublic utility pipelines previously authorized by the City Council.

V. FISCAL IMPACT

If granted the franchise assignment, Phillips 66 Company must pay to the City \$1,600.00 in granting fees plus continue to pay approximately \$188,474.00 in annual franchise fees which are adjusted annually by the Consumer Price Index.

VI. EXHIBITS

1. Resolution No. 13-003. (pgs. 4 – 5)
2. Minutes, October 5, 1999, Item No. 7. (pg. 6)
3. Minutes, November 2, 1999, Item No. 18. (pg. 7)
4. Minutes, November 16, 1999, Item No. 28. (pg. 8)
5. Minutes, July 20, 2004, Item No. 6. (pg. 9)

Prepared by: Boris Sztorch, Revenue Manager

TO: Rev09-04-2012

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Public Works
Community Development	Community Services

Action taken by City Council

Date_____ Action_____

RESOLUTION NO. 13-003

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON,
CALIFORNIA, CONSENTING TO THE ASSIGNMENT OF THE
CONOCOPHILLIPS COMPANY NONPUBLIC UTILITY PIPELINE
FRANCHISE TO PHILLIPS 66 COMPANY

The City Council of the City of Carson does hereby find and resolve:

Section 1. Recitals.

A. On October 5, 1999, the City Council adopted Resolution No. 99-091, declaring its intention to grant a nonpublic utility pipeline franchise to the TOSCO Corporation (TOSCO).

B. On November 2, 1999, the City Council adopted Resolution No. 99-092, delineating the locations for the installation and operation of 88,381.70 linear feet of nonpublic pipelines and appurtenant facilities in connection with the pending TOSCO franchise.

C. On November 16, 1999, the City Council adopted Ordinance No. 99-1176, granting a 25-year nonpublic utility pipeline franchise to TOSCO 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 and distribution of oil, gasoline, petroleum, 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 designated streets within the City of Carson, as approved from time to time by resolution of the City Council.

D. In 2001, Phillips Petroleum Company merged with TOSCO and held TOSCO and UNOCAP as subsidiaries.

E. On January 1, 2003, TOSCO merged with and into ConocoPhillips Company, and as a result, UNOCAP, which was owned by TOSCO, was sold to ConocoPhillips Company. TOSCO was no longer a legal entity.

F. On July 20, 2004, the City Council adopted Resolution No. 04-096, consenting to the assignment (by merger) of the TOSCO franchise to ConocoPhillips Company and approved an additional 1,282 linear feet of 12-inch nonpublic utility pipelines that was acquired from Santa Fe Pacific Pipeline L.P. (SFPP).

G. On July 1, 2012, ConocoPhillips Company separated its refining and marketing operations from its exploration and production operations into two separate stand alone companies. Phillips 66 Company is the global refining and marketing company and ConocoPhillips Company is the global exploration and production company.

H. ConocoPhillips Company is requesting that the City Council consent to the franchise assignment (by merger) to Phillips 66 Company.

I. Pursuant to Carson Municipal Code Section 6818, no owner of a pipeline franchise shall assign or transfer such franchise except with the consent of the City Council.

Section 2. Consent to Assignment. The City Council has considered the request by ConocoPhillips Company and has determined that the assignment of the nonpublic utility pipeline franchise to Phillips 66 Company is in the public interest. Pursuant to Carson Municipal Code Section 6818, the City Council hereby consents to the franchise assignment from ConocoPhillips Company to Phillips 66 Company. Except for the approval of the assignment to Phillips 66 Company, all provisions of the franchise shall continue in full force and effect. Phillips 66 Company will continue to own, operate and maintain 89,663.70 linear feet of nonpublic utility pipelines within the City of Carson.

PASSED, APPROVED and ADOPTED this ____ day of February, 2013.

MAYOR JIM DEAR

ATTEST:

CITY CLERK DONESIA L. GAUSE, CMC

APPROVED AS TO FORM:

CITY ATTORNEY



**ITEM NO. (7) SETTING A PUBLIC HEARING TO CONSIDER GRANTING A PIPELINE
FRANCHISE TO TOSCO REFINING COMPANY, RESOLUTION NO. 99-091
(FINANCE)**

RECOMMENDATION for City Council:

TAKE the following actions:

1. **WAIVE** further reading and **ADOPT** Resolution No. 99-091, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, DECLARING ITS INTENTION TO GRANT A NONPUBLIC UTILITY PIPELINE FRANCHISE TO TOSCO REFINING COMPANY."
2. **SET** the matter for Public Hearing on November 2, 1999.

ACTION: This item was Approved on Consent Calendar on motion of Ontal, seconded by Calas and unanimously carried.

Carson City Council
October 5, 1999
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EXHIBIT NO. 02



ITEM NO. (18) PUBLIC HEARING TO CONSIDER GRANTING A PIPELINE FRANCHISE TO TOSCO REFINING COMPANY, ORDINANCE NO. 99-1176, RESOLUTION NO. 99-092 (FINANCE)

RECOMMENDATION for City Council:

TAKE the following actions:

1. **WAIVE** further reading and **INTRODUCE** Ordinance No. 99-1176, "**AN ORDINANCE OF THE CITY OF CARSON, CALIFORNIA, GRANTING A NONPUBLIC UTILITY PIPELINE FRANCHISE TO TOSCO CORPORATION.**"
2. **WAIVE** further reading and **ADOPT** Resolution No. 99-092, "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, DELINEATING CERTAIN LOCATIONS FOR THE INSTALLATION AND OPERATION OF PIPELINES OR OTHER FACILITIES IN CONNECTION WITH A NONPUBLIC UTILITY PIPELINE FRANCHISE AWARDED TO TOSCO CORPORATION.**"

ACTION: Fajardo declared the Public Hearing opened, heard testimony, and closed the hearing

WFR and introduce Ordinance No. 99-1176 and WFR and adopt Resolution No. 99-092.

MO/F 4/0/0/1-S

**ITEM NO. (28) ORDINANCE NO. 99-1176, GRANTING A NONPUBLIC UTILITY PIPELINE
FRANCHISE TO TOSCO CORPORATION**

ACTION: WITH FURTHER READING WAIVED, Ordinance No. 99-1176 was PASSED,
APPROVED and ADOPTED. C/S 5/0



EXHIBIT NO. 04

**ITEM NO. (6) CONOCOPHILLIPS REQUEST FOR FRANCHISE AMENDMENT
PREVIOUSLY GRANTED TO TOSCO CORPORATION, RESOLUTION NO.
04-096 (ADMINISTRATIVE SERVICES)**

Public Comments

Robert Lesley, P. O. Box 11634, Carson, California 90746, raised several inquires about the additional pipelines or other facilities requested by Conocophillips.

Dr. Rita Boggs, 21328 Island, Carson, California 90745, discussed the pressure testing and monitoring for leakage.

RECOMMENDATION for the City Council:

1. **WAIVE further reading and ADOPT Resolution No. 04-096, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, CONSENTING TO THE ASSIGNMENT (BY MERGER) OF THE TOSCO CORPORATION NON-PUBLIC UTILITY PIPELINE FRANCHISE TO CONOCOPHILLIPS COMPANY, AND DELINEATING CERTAIN LOCATION FOR THE INSTALLATION AND OPERATION OF ADDITIONAL PIPELINES OR OTHER FACILITIES IN CONNECTION WITH THE FRANCHISE."**

ACTION: WITH FURTHER READING WAIVED, it was moved to PASS, APPROVE, and ADOPT Resolution No. 04-096, as read by title only, on motion of Ruiz-Raber, seconded by Dear and unanimously carried by the following vote:

Ayes:	Dear, Calas Santarina and Ruiz-Raber
Noes:	None
Abstain:	None
Absent:	None

EXHIBIT NO. 05

