



# CITY OF CARSON

## Legislation Text

File #: 2022-734, Version: 1

### Report to Mayor and City Council

Tuesday, September 06, 2022

Discussion

#### **SUBJECT:**

**CONSIDERATION OF RESOLUTION NO. 22-184 AMENDING THE NONPUBLIC UTILITY PIPELINE FRANCHISE WITH TESORO REFINING & MARKETING COMPANY LLC (CITY COUNCIL)**

#### **I. SUMMARY**

On December 3, 2009, the City Council adopted Ordinance No. 09-1416, granting to Tesoro Refining & Marketing Company, LLC ("Tesoro") a 25-year nonpublic utility pipeline franchise, and on July 18, 2017, the City Council adopted Ordinance No. 17-1629, which amended Ordinance No. 09-1416 by reducing the 25-year franchise term to 15 years commencing on the date Ordinance No. 17-1629 became effective and amended other terms of said ordinance. Now, Tesoro seeks City Council's approval to allow it to install and operate two (2) additional pipelines, each 90 feet in length, and appurtenant facilities.

#### **II. RECOMMENDATION**

TAKE the following actions:

WAIVE further reading and ADOPT RESOLUTION NO. 22-184, "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 TESORO REFINING & MARKETING COMPANY, LLC"

#### **III. ALTERNATIVES**

TAKE another action the City Council deems appropriate that is consistent with the requirements of the law.

#### **IV. BACKGROUND**

On December 5, 2000, the City Council of the City of Carson ("City Council") adopted Resolution No. 00-112 delineating certain locations for the installation and operation of

seven (7) pipelines and other appurtenant facilities in connection with a nonpublic utility pipeline franchise awarded to Equilon Enterprises LLC ("Equilon"). On December 19, 2000, the City Council approved Ordinance No. 00-1208, granting to Equilon a 25-year franchise ("Equilon Franchise") to construct, lay, operate, and maintain pipelines for conducting, transporting, conveying and carrying oil, gas, petroleum, wet gas, hydrocarbon substances, water, wastewater, mud, steam and other liquid substances on, along, under and across designated public streets, ways, alleys and places within the City of Carson. On May 10, 2007, Equilon sold part of the Equilon Franchise to Tesoro Refining & Marketing Company, LLC ("Tesoro").

On December 3, 2009, the City Council adopted Ordinance No. 09-1416, granting to Tesoro a nonpublic utility pipeline franchise ("Franchise") for a period of 25 years to lay or construct, 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, 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. On July 18, 2017, the City Council adopted Ordinance No. 17-1629, which amended Ordinance No. 09-1416 by reducing the 25-year Franchise term to 15 years commencing on the date said Ordinance No. 17-1629 became effective and amended other terms of said ordinance.

Tesoro is now seeking an amendment to the pipeline Franchise requesting the right to install and operate two (2) additional pipelines and appurtenant facilities ("New Pipelines"). The New Pipelines will be constructed under Alameda Street and will each be 90 feet in length. Descriptions and the locations of both are attached as exhibits to the attached Resolution, which, if approved, will authorize Tesoro to install and operate the New Pipelines.

If adopted, the total pipeline footage authorized under the Franchise would be 29,990.79 feet (29,810.79 feet existing + 180 new).

## **V. FISCAL IMPACT**

Based on the updated rate of \$2.56 per lineal foot as set out in Ordinance No. 17-1629, the increase in franchise fees from the addition of the two lines would be \$460.80 annually. This amount does not include the annual CPI adjustment, so the actual revenue received by the City over the balance of the Franchise term will be greater than this amount.

## **VI. EXHIBITS**

1. Resolution No. 22-184 (pgs. 3-7)

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