

Decision No. 40977

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of SOUTHERN CALIFORNIA GAS COMPANY and PACIFIC GAS AND ELECTRIC COMPANY for an order of the Commission authorizing applicants to carry out, in accordance with its terms, a written agreement dated October 9, 1946, relating to the gas service areas of each of said applicants in parts and portions of Fresno County, California.

Application No. 28503

ORIGINAL

T. J. Reynolds and Milford Springer by Milford Springer for Southern California Gas Company;
R. W. DuVal for Pacific Gas and Electric Company.

O P I N I O N

Southern California Gas Company and Pacific Gas and Electric Company join in asking for authority to carry out, in accordance with its terms, a written agreement dated October 9, 1946, entered into for the purpose of clearly establishing their respective service areas in Fresno County and providing for the extension of service in the most economical manner. A copy of the agreement is attached to the application as Exhibit No. 1. A hearing on this application was held by Examiner Daly at which no opposition to the granting of the requested authority was manifested.

For many years Pacific Gas and Electric Company has supplied natural gas in the northerly portion of the county and Southern California Gas Company in the southerly portion, their service areas contacting each other in the vicinity of the cities and towns of Easton, Fowler, Selma and Sanger.

A map showing the adjoining portions of these service areas and a description of the dividing line as agreed upon by applicants were attached to the agreement as Exhibits A and B, respectively. A revision of this map, showing the location of the principal gas mains of each applicant, was filed at the hearing as Exhibit 1.

The proposed dividing line between the two service areas is so located that no transfer of customers will be required and, consequently, no changes will result in the rates charged to any customer. Said boundary line begins in the foothills northeast of the town of Navelencia at the northwest corner of Township 13 South, Range 25 East, M.D.B. & M., and ends in Township 15 South, Range 17 East, M.D.B. & M. at the point where South Avenue intersects the center line of Fresno Slough. This slough marks the approximate eastern limit of the service area of Coast Counties Gas and Electric Company established by Decision No. 38627 in Application No. 26881, which proceeding was at applicants' request incorporated into the record of this proceeding by reference.

Coast Counties Gas and Electric Company filed a petition of intervention in this matter for the purpose of protecting its territorial rights in western Fresno County, but later, on November 3, 1947, wrote the Commission that in view of stipulations received from applicants, it did not intend to pursue its petition further. With this letter was transmitted a copy of a letter from Southern California Gas Company, dated October 22, 1947, concerning the respective rights of the three utilities to serve gas in Fresno County, from which the following paragraph is quoted:

"With respect to the service area of Coast Counties Gas and Electric Company in Fresno County and that portion of Fresno County not presently served with natural gas by a public utility, it is agreed that the territorial agreement dated October 9, 1946, between Southern California Gas Company and Pacific Gas and Electric Company and any rights resulting from the approval thereof by the California Public Utilities Commission in Application No. 28503, shall not be the basis of limiting, either directly or indirectly, the right of Coast Counties to extend its gas service in the unserved area of Fresno County; it is further agreed that the sale of gas by either Pacific Gas and Electric Company or Southern California Gas Company for resale by Coast Counties in Fresno County shall not be considered as a violation of paragraphs (1) and (2) of said agreement dated October 9, 1946."

With it also was transmitted a copy of a letter on the same subject from Pacific Gas and Electric Company, dated October 31, 1947, in which a similar understanding was expressed in substantially the same language.

No appearance was made at the hearing by Coast Counties Gas and Electric Company, but applicants referred to the issue and submitted copies of their letters to Coast Counties Gas and Electric Company and that of Coast Counties Gas

and Electric Company to the Commission, with the request that they be copied into the record. This request was granted.

The agreement, in addition to establishing applicants' service areas, also sets up a procedure whereby new domestic customers in the service area of either utility can, by mutual agreement, be served from nearer transmission mains of the other utility. In such instances the utility in whose service area the customer is located will install the service pipes and house meters, and the other utility will make the necessary taps on its mains.

Each party agrees to pay the other a service charge for each tap made and a special rate for gas, both of which shall be subject to yearly revision. For the first year the service charge shall be \$30 and the rate for all gas delivered 25 cents per Mcf. Thereafter the service charge and gas rate for each succeeding year will be determined by the utilities on the basis of their respective costs for the previous year.

The agreement contains the required reference to this Commission's jurisdiction and is for an initial term of one year and thereafter until terminated by either party by 90 days' written notice to the other. A study of the record in this matter leads to the conclusion that the agreement underlying this application is in the public interest and that the application should be granted.

O R D E R

Application as above entitled having been filed, a public hearing thereon having been held, the matter having been submitted, the Commission being fully advised in the premises and hereby finding that the granting of this application will be in the public interest,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company and Southern California Gas Company are hereby authorized to consummate and carry out the terms of that certain agreement made and entered into by them on October 9, 1946, a copy of which is attached to the application herein as Exhibit 1, subject to the limitations expressed in the stipulations referred to and quoted in part in the Opinion which precedes this Order.

The effective date of this Order shall be twenty (20) days from and
after the date hereof.

Dated at San Francisco, California, this 1st day
of December, 1947.

Harold P. Kull
John P. Green
Dean of Russell
R. F. Dunning

Commissioners