

Decision No. 41420**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application  
of SOUTHERN COUNTIES GAS COMPANY  
OF CALIFORNIA, a corporation, for  
authorization and permission to  
discontinue service to two con-  
sumers in San Bernardino County.

Application No. 29117

O P I N I O N

Southern Counties Gas Company of California asks authority to discontinue natural gas service to two consumers located about six miles southwest of Chino in San Bernardino County. The two consumers are served from a ten-inch transmission line running from the Brea Compressor Station to Chino. This line is owned by applicant's affiliate, Southern California Gas Company. The procedure of serving consumers from another utility's transmission line is not uncommon where the line traverses territory normally served by the applicant.

The applicant states that it has supplied natural gas service for many years to these consumers virtually as an accommodation service and that no waiver permitting discontinuance of service was initially secured from the consumers. Since 1935 the applicant has followed the practice of securing waivers permitting discontinuance of this class of service.

Since the advent of Texas gas the Southern California Gas Company no longer needs the major portion of aforesaid ten-inch transmission line. It wishes to salvage from that line approximately eleven miles of pipe, and to recondition most of it for use in the extension of natural gas service to Imperial Valley. A shortage of this kind and size of pipe is known to exist, and it appears that it will best serve the public interest to relocate it as proposed.

The applicant alleges that to continue service to these two consumers after the removal of this line would necessitate the installation of 16,800 feet of

two-inch pipe. The revenue from these two consumers last year amounted to \$74.79. It is stated that depreciation expense and ad valorem taxes alone on an installation of this extent would amount to many times the total annual revenue from the two consumers.

It is understood that both electric service and butane or propane gas are available to these two consumers. The applicant has offered to pay the cost of converting the existing natural gas appliances to the use of butane or propane gas, and to pay the initial cost of related equipment attending the installation of such service. If the consumers elect to use any fuel other than butane or propane, applicant has offered to pay the monetary equivalent of such conversion. This proposal was made in detail in applicant's letter to consumers dated February 26, 1948.

The W. B. Scott Investment Company owns the Tres Hermanos Rancho, and is one of the consumers, the other being its tenant, Dr. L. C. Arnold. The Investment Company, in a communication to this Commission, stated its willingness to accept the applicant's proposal insofar as it applies to the appliances used by the tenant. However, for the Rancho itself, the Investment Company prefers to have the applicant pay the cost of conversion to electric service, which would nearly double the overall conversion expense.

In its Decision No. 40797, involving abandonment of service in San Luis Obispo County, the Commission held that it was proper for the utility to pay the cost of converting the consumer's appliances to butane or propane gas, and of providing the necessary storage tanks and related equipment. If a consumer wished electric service, the utility should pay to the consumer only the monetary equivalent of conversion to butane or propane.

In this application it appears that the two consumers may utilize other fuels, without undue inconvenience, and since the utility will provide for the cost of conversion, it is believed reasonable to permit discontinuance of service.

O R D E R

The Commission having considered the application and finding that the interests of the applicant's consumers as a whole will be best served by so doing, that a public hearing in the matter is not necessary, and sufficient cause appearing, therefore

IT IS HEREBY ORDERED that the Southern Counties Gas Company of California be and hereby is granted authority, effective April 26, 1948, to cease rendering natural gas service to the two consumers named in the application herein.

The authority hereby granted is subject to the condition that the Southern Counties Gas Company shall, in the fulfillment of its proposal:

1. Pay the cost of converting the consumers' existing natural gas appliances to the use of butane or propane, or pay the cost of substitute appliances for such use if conversion proves not feasible; and pay the initial cost of related equipment, such as storage tanks and regulators.
2. Pay to either consumer, if he wishes to utilize electric service or any other fuel, the monetary equivalent of converting his existing appliances to the use of butane or propane gas.

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

Dated at San Francisco, California, this 6<sup>th</sup> day of April, 1948.

R. B. Dwyer  
Justice F. Galloway  
Joseph P. Quinn  
Harold P. Kula  
Samuel D. Lott  
Commissioners