

ORIGINALDecision No. 60097

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SOUTHERN COUNTIES GAS COMPANY
of California, a corporation,

Complainant,

v.

RICHFIELD OIL CORPORATION,
a corporation,

Defendant.

Case No. 6448

APPEARANCESMilford Springer, Joseph R. Rensch, Reginald
Vauzhan and Herman F. Selvin for Southern
Counties Gas Company, complainant.Joseph A. Ball and Mervyn Phelan for Richfield
Oil Corporation, defendant.O. C. Sattinger and J. R. Elliott for Pacific
Lighting Gas Supply Company and William L.
Knecht for California Farm Bureau Federation,
Intervenor.R. E. Woodbury, Harry W. Sturges, Jr., and Trippett,
Yoakum, Ballantyne and Thomas H. Carver by
R. E. Woodbury for Southern California Edison
Company, interested party.Marshall J. Kimball for the Commission staff.Final Order and Order Denying Petition
for Rehearing of Decision No. 59902
and Motion to Vacate and Dissolve said
Decision No. 59902.

On April 6, 1960, complainant Southern Counties Gas Company of California filed its complaint stating two causes of action against defendant Richfield Oil Corporation. The allegations of the complaint were reviewed in the interim order which the Commission issued April 11, 1960, Decision No. 59902, ordering Richfield Oil Corporation, a corporation, pending further Commission order immediately to cease

and desist and refrain from constructing the 6-inch pipeline more particularly described in the complaint herein.

Public hearing was held in the matter before Commissioner Matthew J. Dooley and Examiner Wilson E. Cline on April 18 and 19, 1960. The California Farm Bureau and Pacific Lighting Gas Supply have filed petitions to intervene and both petitions to intervene are hereby granted. Both these parties were authorized by the presiding commissioner without objection to participate as intervenors at the hearing. Southern California Edison Company likewise, without objection, was authorized to participate as an interested party at the hearing.

The matter was taken under submission on April 27, 1960, upon the filing of briefs and is now ready for decision.

At the close of the hearing on April 19, 1960, defendant Richfield Oil Corporation moved to vacate and dissolve said Decision No. 59902, and on April 22, 1960, filed the Petition of Richfield Oil Corporation for a Rehearing of Decision No. 59902 issued April 11, 1960, and Motion to Vacate and Dissolve said Decision No. 59902.

This Commission in Decision No. 58850 issued August 4, 1959, found and concluded that Richfield Oil Corporation, in respect to its gas operations, is a gas corporation which owns, controls, operates, and manages a gas plant for compensation within this State, and that Richfield Oil Corporation, in respect to its gas operations, is a public utility gas corporation subject to the jurisdiction of this Commission (1) which has dedicated gas reserves in this State over and above requirements of gas for its own use and gas facilities in this State to the public and (2) which has performed and is performing service and has delivered and is delivering gas to private corporations which in turn either directly or indirectly, mediately or immediately, perform such service and deliver such gas to the public.

By Decision No. 59136, issued October 9, 1959, the Commission further found and concluded that Richfield Oil Corporation, through its gas pipeline constructed without authorization from this Commission, has been and now is delivering gas for compensation to Southern California Edison Company for use as fuel at its Mandalay, Ventura County, California steam-electric generating plant unlawfully and without authorization from this Commission and ordered Richfield Oil Corporation to cease and desist from operating and maintaining the gas pipeline and facilities necessary to serve gas to Southern California Edison Company at its Mandalay, Ventura County, California, steam plant for boiler fuel use and to cease and desist from delivering and selling gas through said pipeline to Southern California Edison Company at said Mandalay plant.

Certain exhibits and other portions of the record in Case No. 6225 and Case No. 6267 and related matters which constituted the evidence upon which the Commission based the findings and conclusions in said Decisions Nos. 58850 and 59136 have been incorporated by reference in this proceeding.

Both Decision No. 58850 and Decision No. 59136 are now before the California Supreme Court on Writs of Review (S.F. Nos. 20302, 20303, 20311, and 20313), and both of said decisions have been stayed by the California Supreme Court pending final determination by the California Supreme Court.

Upon careful consideration of the entire record in this proceeding, the Commission finds and concludes as follows:

1. Richfield Oil Corporation, in respect to its gas operations, is a gas corporation which owns, controls, operates, and manages a gas plant for compensation within this State.

2. Richfield Oil Corporation, in respect to its gas operations, is a public utility gas corporation subject to the jurisdiction of this Commission (1) which has dedicated gas reserves in this State over and above the requirements of gas for its own use and gas facilities in this State to the public and (2) which has performed and is performing service and has delivered and is delivering gas to private corporations which in turn either directly or indirectly, mediately or immediately, perform such service and deliver such gas to the public.

3. Richfield Oil Corporation has obtained a Special Use Permit from the Forest Service of the United States Department of Agriculture, Exhibit No. 1, Case No. 6225, for the purpose of installing, operating and maintaining approximately 21 miles of 20-inch gas transmission pipeline and appurtenances thereto which pipeline is proposed to be used in connection with the sale and delivery of gas by Richfield Oil Corporation to Southern California Edison Company for use as fuel at its Mandalay Steam-Electric Generating Plant. Richfield Oil Corporation has not applied for nor received from this Commission a certificate of public convenience and necessity authorizing it to exercise the rights and privileges under said permit as required by Public Utilities Code Section 1002.

4. Richfield Oil Corporation has constructed a 58 mile 20-inch gas pipeline extending into territory not contiguous to nor within territory already served by it without first having obtained from the Commission a certificate that the present or future public convenience and necessity require or will require such construction, and Richfield Oil Corporation, through said 20-inch gas pipeline constructed without authorization from this Commission, has been and now is delivering gas for compensation to Southern California Edison Company for use as fuel at its Mandalay, Ventura County, California, steam-electric generating plant unlawfully and without authorization

from this Commission.

5. The Mandalay steam-electric generating station of Southern California Edison Company to which Richfield Oil Corporation sells and delivers natural gas through its 58-mile 20-inch pipeline is within the public utility gas service area of complainant Southern Counties Gas Company of California which has been certificated by the Commission to operate as a public utility furnishing natural gas service in its service area.

6. Richfield Oil Corporation, in respect to the 58-mile 20-inch Mandalay Pipeline, is a gas corporation within the meaning of Sections 221 and 222 of the Public Utilities Code.

7. Richfield Oil Corporation, in respect to the Mandalay Pipeline, is a public utility gas corporation within the meaning of Section 216 of the Public Utilities Code.

8. On either, or both, of the grounds stated in paragraphs numbered 6 and 7 above Richfield Oil Corporation is subject to the jurisdiction of this Commission.

9. On April 2, 1960, defendant Richfield Oil Corporation commenced the construction of a 6-inch gas pipeline approximately eight miles in length, which is proposed to extend from the area of Rincon Point, Ventura County, immediately adjacent to the Pacific Ocean, to a point near Casitas Springs north of the City of Ventura, also in Ventura County. At the last mentioned location defendant intends to connect said 6-inch pipeline with said 20-inch Mandalay Pipeline now operated by defendant and through which it is selling and delivering natural gas to Southern California Edison Company at the latter's Mandalay steam-electric generating station near Oxnard, California.

10. The said 6-inch pipeline is designed for, and is intended by Richfield to be used for, the transmission, delivery and furnishing of natural gas for heat and power to the public or some portion

thereof for compensation within this State. It is, therefore, a gas plant within the meaning of Section 221 of the Public Utilities Code.

11. The 20-inch Mandalay Pipeline is also a gas plant within the meaning of said Section 221. It has been dedicated by Richfield Oil Corporation to the public use; and the 6-inch pipeline is proposed to be an extension of said Mandalay Pipeline.

12. Richfield Oil Corporation has not obtained from this Commission, and has refused and still refuses to apply to or accept from this Commission, a certificate that the present or future public convenience and necessity require or will require the construction of either of said pipelines.

13. The petition of Richfield Oil Corporation for rehearing of Decision No. 59902 and the motion of Richfield Oil Corporation to vacate and dissolve said decision should be denied.

Therefore, good cause appearing,

IT IS ORDERED that Richfield Oil Corporation, a corporation, shall permanently cease and desist and shall permanently refrain from constructing the 6-inch pipeline described in the findings and conclusions above and more particularly described in the complaint herein, unless and until it receives a certificate of public convenience and necessity authorizing it to construct the same.

IT IS FURTHER ORDERED that the petition of Richfield Oil Corporation for rehearing of Decision No. 59902 and the motion of Richfield Oil Corporation to vacate and dissolve said Decision No. 59902 are hereby denied.

The Secretary is directed to cause certified copies of this order to be served forthwith by registered mail upon Richfield

Oil Corporation, a corporation, and upon Southern Counties Gas
Company of California, a corporation.

Dated at San Francisco, California, this 9th
day of May, 1960.

Grant R. Rapp
President
John E. Schell
William F. Schell
E. L. Fox

Commissioners

I dissent from the findings,
conclusions, and ordering
paragraphs of this decision
for the reasons, among others,
set forth in my dissent to
Decision No. 58850.

Theodore Jenner