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ORIGINAL

Decision No. 62241

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

PACIFIC GAS AND ELECTRIC COMPANY, a corporation, Complainant, vs. SOUTHERN CALIFORNIA GAS COMPANY, a corporation, FIRST DOE CORPORATION and SECOND DOE CORPORATION, Defendants.	Case No. 7135 (Filed June 13, 1961)

F. T. Searls, John C. Morrissey, Frederick W. Mielke, Jr. and John S. Cooper, for Pacific Gas and Electric Company, complainant.
Harry P. Letton, Jr., John Ormasa, John G. Lyons and Reginald L. Vaughan, for Southern California Gas Company, defendant.
Harold J. McCarthy and Melvin E. Mezek, for the Commission staff.

O P I N I O N

Pacific Gas and Electric Company[1/] filed the above-entitled complaint against Southern California Gas Company[2/] on June 13, 1961, requesting that Southern and certain fictitious defendants be ordered, without notice, to cease and desist construction work within the Stockdale Development Area in Kern County and further requesting that such hearings as may be required on this complaint be consolidated with the hearings in Application No. 43146 and Case No. 7088.

1/ Hereinafter sometimes called Pacific.

2/ Hereinafter sometimes called Southern.

The Commission on June 13, 1961, issued an order to show cause directing Southern to appear at 10 o'clock a.m. on Friday, June 16, 1961, in the Commission Courtroom, State Building, San Francisco, and then and there show cause, if any it had, why it and its officers, agents, and employees should not be ordered to cease and desist from any and all such construction pending further Commission order.

On June 15, 1961, the Commission received two telegrams signed by W. R. Davis, Executive Vice President of Southern California Gas Company, the second one of which stated in part as follows: "...construction work concerning installation of gas facilities in the Stockdale Area will not be resumed until the Commission issues a decision as to which company, Southern California Gas Company or Pacific Gas and Electric Company is to serve the Stockdale Area."

The complaint alleges that Pacific and Southern both provide gas utility service in various portions of Kern County; that the precise service areas of the two utilities are in dispute; and that one of the areas of dispute pertains to the Stockdale Development Area[3/] southwest of Bakersfield. The complaint refers to Decision No. 62076, dated May 31, 1961, in Applications Nos. 43146 and 43217 wherein mention is made of an attempt by representatives of Pacific and Southern to reach agreement regarding service

3/ Stockdale Development Area consists of approximately nine square miles of territory southwest of Bakersfield described as Section 3, a portion of Section 4, and Sections 5, 8, 9, 10, 15, 16, and 17 in Township 30 South, Range 27 East, Mount Diablo Base and Meridian.

areas in Kern County and, more particularly, service to, among other locations, the Stockdale Development Area, and wherein said decision states:

> "Southern and Pacific have indicated that following decision on the question of which utility should serve Continental, further negotiations would be undertaken by the parties to see if the other issues in the proceedings could be resolved, failing in which, hearings would be resumed."

The complaint also alleges that no further negotiations have, as yet, taken place; that Southern or its agents have commenced the construction of a pipeline system within Stockdale Development Area in violation of the understanding arrived at between the parties in the proceedings related to Applications Nos. 43146 and 43217; that the construction cannot be considered as being within the meaning of Section 1001 of the Public Utilities Code inasmuch as said construction is in an area subject to dispute between Pacific and Southern; that a cease and desist order should issue pending resolution of the matter in dispute; and that failure to issue such an order will result in duplication of gas facilities and could result in wasteful and unnecessary construction of facilities in parts of Kern County in an effort to obtain a different bargaining position in the negotiations which are yet to take place.

Public hearing was held in San Francisco before Examiner William W. Dunlop on June 16, 1961 and before Examiner Carl Silverhart on June 19 and 20, 1961.

At the hearing on June 16, 1961, Southern filed its answer generally denying the allegations of the complaint and asking that the complaint be dismissed. Pacific moved that a cease and desist

order be issued against Southern and also moved that the hearings on Case No. 7135 be consolidated with hearings on Application No. 43146 and Case No. 7088.

Case No. 7135 was submitted for decision upon the conclusion of oral arguments on June 20, 1961.

Based upon the evidence of record, we find and conclude that the public interest would be served by the issuance of an order consolidating hearings in the instant case with those in Application No. 43146 and Case No. 7088 and directing Southern to cease and desist construction work within Stockdale Development Area.

We strongly urge Pacific and Southern to resume negotiations promptly with respect to service areas in Kern County so that future conflicts may be minimized and the public may receive gas service without delays involved in and attendant upon litigation.

O R D E R

Public hearing having been held on the above-entitled complaint and based upon the evidence of record therein adduced,

IT IS ORDERED:

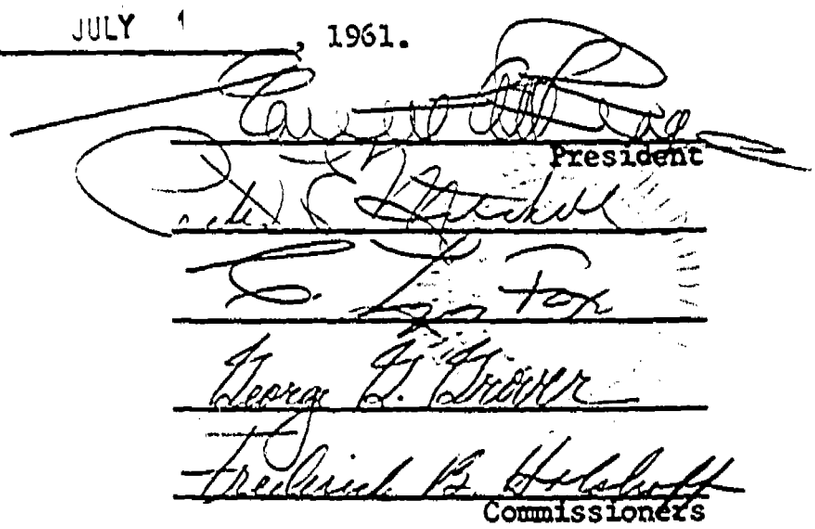
1. That Application No. 43146 and Case No. 7088 are consolidated for hearing with Case No. 7135 at such time and place as the Commission shall designate.

2. That Southern California Gas Company is directed to cease and desist from the construction of gas pipeline facilities

in the Stockdale Development Area of Kern County, as more particularly described in the complaint herein, unless and until it shall have obtained from this Commission an order authorizing it to engage in such construction.

The effective date of this order shall be twenty days from the date service thereof is made upon Southern California Gas Company.

Dated at San Francisco, California, this 11th day of JULY, 1961.



President

Commissioners