

62327

ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

PACIFIC GAS AND ELECTRIC COMPANY,
a corporation,

Complainant,

vs.

Case No. 7135

SOUTHERN CALIFORNIA GAS COMPANY,
a corporation, FIRST DOE CORPORA-
TION and SECOND DOE CORPORATION,

Defendants.

F. T. Searls, John C. Morrissey, Frederick W. Mielke, Jr., and John S. Cooper, for Pacific Gas and Electric Company, complainant.
Marry P. Letton, Jr., John Ormasa, John G. Lyons, and Reginald L. Vaughan, for Southern California Gas Company, defendant.
John L. Kies and Wilsey Ham & Blair, by Harold H. Heidrick, for Stockdale Development Corporation, interested party.
Harold J. McCarthy and Melvin E. Mezek, for the Commission staff.

OPINION ON PETITION FOR AN INTERIM ORDER

On July 11, 1961, this Commission issued its Decision No. 62241 in the above-entitled proceeding, directing Southern California Gas Company to cease and desist from the construction of gas pipeline facilities in the Stockdale Development Area of Kern County unless and until it shall have obtained from this Commission an order authorizing it to engage in such construction. Said decision further consolidated this proceeding for hearing with Application No. 43146 and Case No. 7088 and strongly urged Pacific Gas and Electric Company (Pacific) and Southern California Gas Company (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.

Thereafter, on July 12, 1961, Southern filed a petition requesting the Commission to amend its Decision No. 62241 so as to permit the resumption of construction by Southern in the Stockdale Development Area upon condition that in the event it shall be finally determined that Southern is not entitled to serve the area in question, then Southern will sell said facilities at their recorded cost to the party entitled to render service in that area.

Pacific, on July 14, 1961, filed its answer to Southern's petition, requesting the Commission to authorize an agreement attached to its answer as Exhibit A which Pacific states it is prepared to execute. The principal provisions of the agreement proposed by Pacific are as follows:

- "1. Southern may install gas pipeline facilities in Sections 3, 4, and 5 and the northern halves of Sections 8, 9, and 10, all of Township 30 South, Range 27 East, MDB&M, and provide gas service for use by the public in said sections and half sections.
- "2. Pacific may install gas pipeline facilities in Sections 15, 16 and 17 and the southern halves of Sections 8, 9, and 10, all of Township 30 South, Range 27 East, MDB&M, and provide gas service for use by the public in said sections and half sections.
- "3. Within sixty (60) days after the effective date of the Commission's Order determining which portions,

if any, of Sections 3, 4, and 5 and of the northern halves of Sections 8, 9 and 10 should be served by Pacific, Southern will sell and deliver to Pacific all of its gas pipeline facilities in said portions to Pacific, and Pacific will pay therefor the recorded cost of said facilities.

"4. Within sixty (60) days after the effective date of the Commission's order determining which portions, if any, of Sections 15, 16 and 17 and of the southern halves of Sections 8, 9 and 10 should be served by Southern, Pacific will sell and deliver to Southern all of its gas pipeline facilities in said portions to Southern, and Southern will pay therefor the recorded cost of said facilities.

"5. Southern hereby sells and delivers to Pacific the gas pipeline facilities which it has already installed in Sections 15, 16 and 17. Pacific hereby agrees to pay for said facilities within thirty (30) days of the date hereof Southern's recorded cost for said facilities."

On July 18, 1961, Southern filed its response rejecting the proposal made by Pacific.

Public hearing on Southern's petition for an interim order was held in San Francisco on July 19 and 20, 1961 before Examiner William W. Dunlop. Evidence was presented by two witnesses for Stockdale Development Corporation, by one witness for Southern, by two witnesses for Pacific and by one witness for the Commission staff.

Southern stated that Stockdale Development Area is not subject to negotiation. Accordingly, at the conclusion of the hearing on July 20, 1961, the question of whether or not an interim order should issue as requested by Southern was taken under submission and hearing on Case No. 7135 was continued to September 18, 1961 on a consolidated basis with Application No. 43146 and Case No. 7088.^{1/}

The sole issue here to be decided is whether or not an interim order should issue modifying Decision No. 62241 to permit the resumption of construction of gas facilities in Stockdale Development Area pending final determination of the issues raised in Application No. 43146, Case No. 7088 and in Case No. 7135.

Stockdale Development Area consists of approximately nine square miles of territory located in Kern County southwest of Bakersfield. It includes 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.

Based on the evidence of record, we find that the public interest would be served by a modification of Decision No. 62241 to the extent hereinafter set forth pending final resolution of the dispute between Pacific and Southern over service areas in Kern County and pending further order by the Commission herein:

(1) Authorize Southern to install gas pipeline facilities in those portions of Stockdale Development Area included within

^{1/} Application No. 43146 was filed by Southern on February 10, 1961, asking the Commission to prescribe and fix the area in Kern County to be hereafter served by Southern. Case No. 7088 was filed by Southern on March 29, 1961 asking the Commission to find that public convenience and necessity require the use by Southern of Pacific's Topock-Milpitas Line No. 300-B to serve the expected requirements of the Stockdale Development.

Sections 3 and 4 and provide gas service for use by the public in Tracts 2560, 2561, 2562 and 2548 and to a gas engine pumping plant located in the southwest corner of Section 4, all of Township 30 South, Range 27 East, Mount Diablo Base and Meridian.

(2) Authorize Southern to install the following, and no other, gas pipeline facilities in Tract 2523 in Section 15 of Township 30 South, Range 27 East, Mount Diablo Base and Meridian:

- (a) 502 feet of 3-inch main in District Boulevard west from Shepard Street.
- (b) 1825 feet of 3-inch main in Shepard Street between White Lane and District Boulevard.

We further find that such authorization should be made subject to the condition that in the event it finally shall be determined that all or portions of Stockdale Development Area are to be served by other parties, Southern will sell any affected facilities within Stockdale Development Area at their recorded cost to the party entitled to render service in that area.

We further find that in all other respects, Decision No. 62241 should remain in full force and effect and that the authorization herein granted should in no way be determinative of the issues raised by Application No. 43146 and Case No. 7088.

INTERIM ORDER

Public hearing having been held on the petition for an interim order in the above-entitled complaint and based upon the evidence of record therein adduced,

IT IS ORDERED that Decision No. 62241 dated July 11, 1961, be and it hereby is modified to the following extent:

1. Southern California Gas Company is authorized to install gas pipeline facilities in those portions of Stockdale Development

Area included within Sections 3 and 4 and provide gas service for use by the public in Tracts 2560, 2561, 2562, and 2548 and to a gas engine pumping plant located in the southwest corner of Section 4, all of Township 30 South, Range 27 East, Mount Diablo Base and Meridian.

2. Southern California Gas Company is authorized to install the following, and no other, gas pipeline facilities in Tract 2523 in Section 15 of Township 30 South, Range 27 East, Mount Diablo Base and Meridian:

- (a) 502 feet of 3-inch main in District Boulevard west from Shepard Street.
- (b) 1825 feet of 3-inch main in Shepard Street between White Lane and District Boulevard.

IT IS FURTHER ORDERED that the authorization granted herein is made subject to the following condition:

That in the event it finally shall be determined that all or portions of Stockdale Development Area are to be served by other parties, Southern California Gas Company shall sell any affected facilities within Stockdale Development Area at their recorded cost to the party entitled to render service in that area.

IT IS FURTHER ORDERED that in all other respects Decision No. 62241 shall remain in full force and effect and that the authorization granted herein shall in no way be determinative of the issues raised by Application No. 43146 and Case No. 7086.

The effective date of this order shall be ten days from the date service is made upon Pacific Gas and Electric Company and Southern California Gas Company.

Dated at San Francisco, California, this 25th day of July, 1961.

[Signature] President
[Signature]
George E. Brewer
Fredrick B. H. [Signature] Commissioners

Commissioner Everett C. McKeage... being necessarily absent, did not participate in the disposition of this proceeding.