

Decision No. 65882

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PACIFIC GAS AND ELECTRIC COMPANY)
and SOUTHERN COUNTIES GAS COMPANY OF)
CALIFORNIA for an order authorizing)
applicants to carry out the terms of)
an agreement dated November 1, 1962)
relating to the service area)
responsibilities of applicants in)
San Luis Obispo County.)

Application No. 45065
(Amended)

OPINION AND ORDER

Pacific Gas and Electric Company (Pacific) and Southern Counties Gas Company of California (Southern Counties) by the above-entitled application filed December 27, 1962, and amended on July 2, 1963, request an order of the Commission authorizing them to carry out the terms and conditions of a joint contract dated November 1, 1962. Said agreement relates to the designation and responsibilities of the two applicants for the service of natural gas to the public in portions of San Luis Obispo County. A copy of said contract is attached to the application, marked Exhibit A, and by reference made a part thereof.

Southern Counties presently serves natural gas to the public in and about Atascadero, Cayucos, Morro Bay, Paso Robles, Santa Margarita, and Templeton from a portion of its gas distribution system in San Luis Obispo County. In addition, Southern Counties owns a 10-inch gas transmission main extending southwesterly from Section 36, T 22 S, R 17 E, M.D.B.&M. in Kings County through Kings, Kern and San Luis Obispo Counties to a

location in the vicinity of Pacific's Morro Bay Steam Electric Generating Plant in San Luis Obispo County.

Pacific owns a 20-inch transmission main, designated as Main No. 306, extending from its Kettleman Compressor Station in Kings County southwesterly through Kings, Monterey, and San Luis Obispo Counties to its Morro Bay Steam Electric Generating Plant. Main No. 306 parallels Southern Counties' ten-inch main some five miles to the north thereof. Also, both mains cross the aforementioned portion of San Luis Obispo now being served natural gas by Southern Counties.

In order to clarify the responsibilities of each utility in the furnishing of gas service to the public, the following respective areas in which each may provide public utility gas service have been mutually agreed upon.

1. As delineated in Exhibit A of the contract, a copy of which is attached to the application as Exhibit A, Southern Counties' service area will include an expanded area east and north of the boundaries of its present Rate Area No. 19 in addition to Rate Area No. 19 which encompasses the communities of Atascadero, Cayucos, Morro Bay, Paso Robles, Santa Margarita, and Templeton.

2. As delineated in Exhibit B of the application, Pacific will be solely responsible for supplying gas service to the public in an area extending northeast from Southern Counties' proposed service area to the northern boundary of San Luis Obispo County. The northerly boundary of Pacific's service area will be a line parallel to and one-half mile north of Pacific's Main No. 306.

Similarly, the southerly boundary of this service area will be a line parallel to and one-half mile south of Southern Counties' ten-inch transmission main.

There are no prospective customers within the expansion portion of the service area requested by Southern Counties but this utility proposes to serve anyone applying for service therein under its filed rules relating to main and service extensions and proposes to make a filing with the Commission at such time, in accordance with General Order No. 96-A, proposing appropriate rate area and rate schedule applicability. Pacific proposes to make applicable its filed rules and will serve gas to some 100 prospective customers within its proposed service area under Rate Schedules Nos. G-6, G-40, and G-50. In either event there will be no increase in the rates applicable to customers of Southern Counties served within Rate Area No. 19.

The contract provides, among other things, that neither utility shall furnish gas service to customers located in the other's service area unless consent of the other utility is first obtained. However, each may serve its own facilities and may install and operate transmission mains in the other's service area.

Provisions have been made for service and main extensions in the ordinary course of business as provided for in Section 1001 of the Public Utilities Code. In general, when such extensions are installed in the open territories adjacent to the two service areas, the territory within one-half mile on either side of and beyond the terminus of such main shall be added to the gas service area of the party installing and owning such main.

The contract provides that it shall at all times be subject to such changes or modifications as this Commission may, from time to time, direct in the exercise of its jurisdiction.

The contract is to become effective when authorized by this Commission and at or about the end of each two-year period following the effective date hereof, representatives of the two utilities will meet to review developments during the previous two-year period in these two service areas and in open territory adjacent thereto and prepare proposals for any changes or modifications in the boundary lines that may be indicated by such review.

This Service Area Agreement contemplates a concurrent contract for the exchange of gas from the respective transmission mains of Pacific and Southern Counties located in the other utility's service area. Allegedly, both utilities will thereby make gas service available more generally to the public in the most economic manner. By joint Application No. 45066 these utilities request this Commission's authorization of the gas exchange agreement.

This contract is contingent upon Pacific obtaining a certificate of public convenience and necessity to exercise the right, privilege and franchise granted to this utility by Ordinance No. 607 of the Board of Supervisors of San Luis Obispo County. By Application No. 45094 issuance of such a certificate has been requested.

The Commission has considered the request of applicants and finds and concludes that the herein agreement is not adverse to the public interest, that the application should be granted and that a public hearing is not necessary; therefore,

IT IS HEREBY ORDERED that applicants be and they are authorized to carry out the terms and conditions of the written agreement dated November 1, 1962 between Pacific Gas and Electric Company and Southern Counties Gas Company of California, and to render the services described therein under the terms, charges and conditions stated therein.

IT IS HEREBY FURTHER ORDERED that:

1. Applicants shall file with the Commission, within thirty days after the effective date of this order, four certified copies of the agreement as executed, together with a statement of the date on which the agreement is deemed to have become effective.

2. Applicants shall file annually with this Commission, by August 1 of each year, the results of joint service area reviews to be conducted annually. Contemplated revisions, changes or modifications in the respective service areas that may be indicated by such reviews shall be submitted to the Commission for review in proposed form not less than thirty days prior to making the filing.

3. Applicants shall notify this Commission, in writing, of the date of termination of said contract, within thirty days from and after said date of termination.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 20th day of AUGUST, 1963.

[Signature]
President
[Signature]
[Signature]
George T. Hoover
Frederick B. Hallock
Commissioners