

authority contained in Decision No. 60535, dated August 9, 1960, in Application No. 42311 and Application No. 42138.

The present operators of the utility are Leroy Kamrar and Zona Smith Kamrar, husband and wife, who own all of the outstanding capital stock of the corporation having a par value of \$12,000. At the time they acquired the Palo Verde system they were residing in Blythe and personally were able to handle the utility operation. Recently, however, they moved to Salome, Arizona, as Mr. Kamrar is president of the Southwestern Telephone Company which is headquartered in that city.

Mrs. Kamrar testified that she has been endeavoring to manage the Palo Verde Gas Co. operation but because of the distance now involved, continued active management has become impractical.

Of the 100 to 150 residences in the Palo Verde community 75 of the residences are served by bottled gas. The maximum number of customers which applicant has served has been 34, and at the time of the filing of the application there were 28 customers. Mrs. Kamrar testified that there has been no expansion of the utility operation and that there is little prospect for growth in the area due partly to the problem of obtaining a good water supply for domestic purposes.

Applicant's profit and loss statement for the 6-month period ending June 30, 1964, contained in Exhibit 1, shows a net loss of \$1,110.59. Mrs. Kamrar testified that the operation has continually operated at a loss since 1959.

The system consists of three 2,000-gallon spherical storage tanks, five thousand feet of 1-1/4 inch copper mains and two thousand feet of 3/4-inch copper laterals. The record shows

that there is extensive gas loss through leakage from the system.

Exhibit 2 contains signed statements by 20 of applicant's customers agreeing and consenting to termination of service by applicant. Mrs. Kamrar testified that the lack of signatures by the remaining customers was due only to inability to contact those customers who do not permanently reside in the area.

As of the date of the hearing most of the former customers had changed to propane service by means of individual tanks on customers' premises and only 5 or 6 customers remained on applicant's system. The record shows that rates for such individual tank propane service from suppliers in the area are generally at the same level as applicant's rates.

Mrs. Kamrar testified that no customer deposits or advances in aid of construction are held by applicant.

Based upon the record the Commission finds that public convenience and necessity does not require the continued operation of a public utility gas distribution system by the Palo Verde Gas Co. The Commission concludes, therefore, that the application should be granted.

O R D E R

IT IS ORDERED that:

1. Palo Verde Gas Co. is authorized to abandon and discontinue its public utility gas service in the Palo Verde community.
2. Palo Verde Gas Co. shall notify this Commission in writing of the date of abandonment within 30 days after such abandonment.

3. Upon compliance with ordering paragraph 2 above applicant shall stand relieved of all public utility obligations in connection with the operation of the gas distribution system herein authorized to be discontinued.

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

Dated at San Francisco California, this 30th day of November, 1964.

Frederick B. Holbrook
President

[Signature]

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George H. Hoover

[Signature]
Commissioners