

Decision No. 85961**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application
 of SAN DIEGO GAS & ELECTRIC COMPANY,
 a Corporation, for a Certificate of
 Public Convenience and Necessity
 Authorizing it to Exercise its Gas
 Franchise Rights in a Portion of
 the County of San Diego; and for a
 Certificate of Public Convenience
 and Necessity Authorizing the Con-
 struction, Operation and Maintenance
 of Certain Liquefied Natural Gas
 Facilities; and for Authorization
 of Agreements between San Diego Gas
 & Electric Company and Viejas
 Company, Inc., and Norman J. Dahn,
 concerning the Construction,
 Operation and Maintenance of Certain
 Liquefied Natural Gas Facilities

Application No. 50763
 (Filed December 20, 1968)

O P I N I O N

San Diego Gas & Electric Company, (hereinafter referred to as "SDG&E"), seeks to make modification of minor nature in Commission Decision No. 75404, dated March 11, 1969 (Application No. 50763, Filed December 20, 1968), pursuant to Rule 43 of the Commission's Rules of Practice and Procedure.

In Decision No. 75404, the Commission granted SDG&E a certificate of public convenience and necessity to construct, operate and maintain liquefied natural gas facilities and a natural gas distribution system in the area occupied by Alpine Village in the Community of Alpine.

In the Opinion of Decision No. 75404, the Commission stated: "In order to be advised fully of changes resulting from future extensions under Public Utilities Code, Section 1001, the utility will be required to keep separate cost records and furnish periodic reports." Further, the Commission found "Applicant should be required to maintain separate records covering liquefied natural gas conversion to natural gas service at Alpine Village and to submit annual cost studies until this distribution system is served directly from this utility's natural gas distribution system." Paragraph 6 of the Order states: "San Diego Gas & Electric Company shall maintain separate records covering natural gas service within the area certified herein and shall submit to the Commission annual cost studies for such service for the period."

At the time of application for the aforementioned certificate of public convenience and necessity, SDG&E's nearest natural gas distribution facilities were located approximately 8 miles west of Alpine. Because of the distance involved and the low customer density in the area through which the required pipeline would pass, SDG&E believed it was not feasible at that time to extend its natural gas distribution facilities to Alpine. At that time, it was believed that the improvement of Interstate Highway 8 to the Alpine area would lead to substantial development of this area, thus ultimately justifying the capital expense of extending natural gas distribution facilities to the Community of Alpine.

The Alpine Community has not experienced the growth as anticipated. Since the commencement of service in 1969 to this area, only 169 additional service extensions have been made; SDG&E presently has 226 residential and 20 commercial gas customers. No gas service extensions have been made since 1974 from the Alpine LNG facilities. SDG&E is advised that there is no significant growth anticipated in the near future for this area.

Because SDG&E's extension of natural gas distribution facilities under Public Utilities Code Section 1001 is not contemplated in the foreseeable future, SDG&E requests that the Commission modify Decision 75404 to delete the requirement that SDG&E submit annual cost studies to the Commission. The time and effort involved in the preparing and maintenance of such records is a burden that SDG&E feels is unnecessary in view of the present circumstances. SDG&E would continue to maintain separate records covering liquefied natural gas conversions to natural gas service as has been done in the past.

Findings

1. San Diego Gas & Electric Company (SDG&E) is now currently serving the Community of Alpine by means of LNG facilities.
2. SDG&E has obtained a Certificate of Public Convenience and Necessity to construct, maintain and operate such facilities as well as to exercise its franchise rights to supply natural gas to the certificated area through extensions from its existing system.
3. Anticipated customer growth in the Alpine area has not materialized to the point of justifying a natural gas main extension nor does such growth appear to be likely in the foreseeable future.
4. The preparation and submission of an annual cost of service studies as ordered by Paragraph 6 of Decision No. 75404 is unnecessary in view of the fact that SDG&E has no current plans to extend natural gas service to Alpine.
5. SDG&E should not be required to prepare, maintain and submit such annual reports as long as they are not required.

Conclusions

1. The request to cease submitting the annual cost of service study reports should be granted.
2. A public hearing is not necessary.
3. SDG&E is placed on notice, however, that should the growth pattern in the Alpine area change in the future to the extent that a gas main extension is justified, then such annual cost of service reports will once again be required.

O R D E R


IT IS ORDERED that:

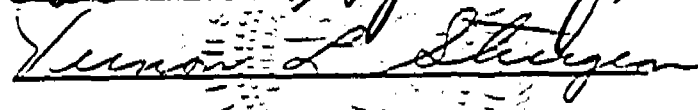
1. Commission Decision No. 75404 be modified to delete the following language in Paragraph 6 of the Order: "...and shall submit to the Commission annual cost studies for such service for the period."

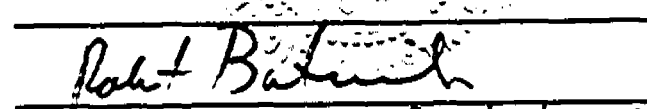
2. In all other respects, the provisions of Decision No. 75404 shall remain in full force and effect.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 15th
day of JUNE, 1976.



President




Commissioners

Commissioner Leonard Hess, being necessarily absent, did not participate in the disposition of this proceeding.