

Decision 84-11-116 November 21, 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
Pacific Gas and Electric Company and)
Pacific Lighting Gas Supply Company to)
modify Decision 84-06-132 to sell the)
Ten Section underground storage field)
to McFarland Energy, Inc.)

Application 84-10-075
(Filed October 25, 1984) ✓

O P I N I O N

By Decision (D.) 84-06-132, dated June 20, 1984, in Application (A.) 84-05-071 the Commission authorized Pacific Lighting Gas Supply Company (PLGS), a California corporation, and Pacific Gas and Electric Company (PG&E), a California corporation, to sell and convey to Century Production, Inc. (Century) the underground gas storage field located in the area known as Ten Section.

After the issuance of D.84-06-132, Century withdrew its offer. The utilities notified Century that it would be held liable for the difference between its offer price and the sales price that could be arranged with another purchaser. After Century withdrew its offer, the utilities requested that their broker, Evans, Carey, and Crozier (ECC) assist in locating another purchaser. ECC had arranged the offer from Century under an agreement that was approved in D.84-06-132.

ECC recently obtained an offer from McFarland Energy, Inc. (McFarland). McFarland is offering to purchase Ten Section under the same terms and conditions, including the purchase price of \$12,050,000, as set forth in A.84-05-071 and approved in D.84-06-132. For its efforts, ECC will receive the same compensation as it would have under the sale to Century.

The utilities have already received a deposit of \$1,200,000 from McFarland, and McFarland is now prepared to consummate the sale as soon as possible. The utilities request that the Commission modify D.84-06-132 to substitute McFarland as the purchaser of Ten Section.

Findings of Fact

1. A public hearing is not necessary.
2. No protests have been filed.
3. The application involves merely the substitution of one buyer for another in a transaction already approved by the Commission.
4. The terms of the transaction are identical to the terms originally approved in D.84-06-132.

Conclusions of Law

1. The application should be granted.
2. D.84-06-132 should be modified to authorize the sale by PLGS and PG&E of the Ten Section property to McFarland rather than to Century.
3. The following order should be effective immediately to allow the transaction to be closed as soon as possible.

O R D E R

IT IS ORDERED that:

1. D.84-06-132 in A.84-05-071 is modified to authorize Pacific Lighting Gas Supply Co. and Pacific Gas and Electric Co. to sell Ten Section to McFarland Energy, Inc., rather than to Century Production, Inc.

2. The Executive Director is directed to place a copy of this opinion in the formal file for A.84-05-071

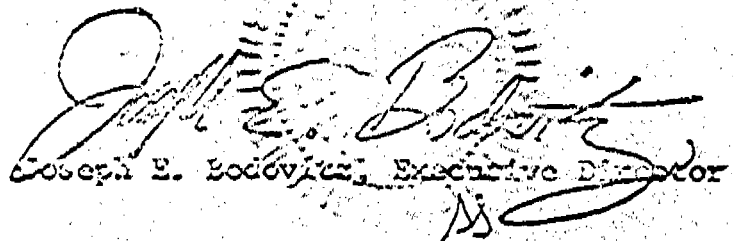
This order is effective today.

Dated. NOV 21 1984, at San Francisco, California.

FRISCILLA C. CREW
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners

Commissioner Victor Calvo,
being necessarily absent, did
not participate

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director

ALJ/md

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