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Decision 91-01-008 January 15, 1991

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California)
 Gas Company (U-904-G), under Section)
 851 of the Public Utilities Code,)
 for Order authorizing conveyance)
 to the United States of America)
 Department of the Air Force certain)
 gas transmission facilities located)
 within Vandenberg Air Force Base.)

ORIGINAL

Application 90-08-015
(Filed August 6, 1990)

O P I N I O N

Southern California Gas Company (SoCalGas) seeks authority to transfer a high pressure gas pipeline located within the boundaries of Vandenberg Air Force Base (Base) to the United States Department of the Air Force (Air Force), pursuant to Public Utilities Code Section 851.

Notice of this application appeared in the Commission's Daily Calendar of August 14, 1990. No protests to the application have been received; therefore, a public hearing is not necessary.

SoCalGas provides natural gas service through over 4.4 million meters serving residential, commercial, and industrial customers located throughout Southern California and portions of Central California. Gas service is provided through 38,809 miles of various size mains and approximately 3,214 miles of natural gas transmission pipeline. In addition, it owns and maintains gas storage reservoirs at Playa del Rey, Honor Rancho, East Whittier, Aliso Canyon, Goleta, and Montebello.

SoCalGas also owns compressor plants, distribution pipeline, services and appurtenant meters, regulators, metering and regulating stations, booster stations, general office buildings, divisional and district office buildings, general shops, laboratory buildings, warehouse and other storage facilities, supplies and equipment necessary for the operation of its business.

SoCalGas seeks to transfer to the Air Force approximately 10 miles of 8" high pressure gas pipeline located on the southern portion of the Base. By clarification letter of November 2, 1990, SoCalGas explains that the original cost of the pipeline to be transferred is approximately \$2.1 million.

This pipeline was constructed and installed by SoCalGas as part of a 16 mile pipeline extension from Lompoc to the Base's power plant in 1988. As a condition to construct and install this gas pipeline, the Air Force agreed to pay SoCalGas a connection charge equal to the actual cost of the facilities.

Subsequently, on February 16, 1989, SoCalGas and the Air Force entered into a written agreement to transfer the pipeline located on the southern portion of the Base from SoCalGas to the Air Force on an as-is-basis, Exhibit B to the application.

SoCalGas asserts that the proposed transfer is in the public interest because its natural gas distribution system will not impair gas service or increase cost to any other customer, and that it will result in fewer operational difficulties for both SoCalGas and the Air Force. Although the cost incurred in constructing the pipeline proposed to be transferred is recorded as a component of SoCalGas's rate base, there is no impact on customers' rates because the cost is offset, dollar for dollar, by Air Force's connection charge. This transaction will not result in a gain on sale to SoCalGas.

Findings of Fact

1. SoCalGas proposes to transfer to the Air Force approximately 10 miles of 8" gas pipeline located on Air Force property.
2. No protests have been received.
3. A public hearing is not necessary.
4. The proposed transfer is in the public interest.
5. This transaction will not result in a gain on sale to SoCalGas.

Conclusion of Law

The application should be granted.

This authorization is not a finding of the value of the rights and property to be transferred.

ORDER

IT IS ORDERED that:

1. On or after the effective date of this decision, Southern California Gas Company (SoCalGas) may transfer to the United States Department of Air Force (Air Force) approximately 10 miles of 8" high pressure gas pipeline located on the southern portion of the Vandenberg Air Force Base, identified in Exhibit A to the application.

2. SoCalGas shall inform the Commission Advisory and Compliance Division Director in writing of the actual transfer date as authorized herein, within 5 days after the transfer is completed. A true copy of the transfer documents shall be attached to the written notification.

3. Within 60 days after the completion of the transfer SoCalGas shall file a copy of each journal entry used to record the transfer of the gas pipeline with the Commission's Advisory and Compliance Division Director for approval.

4. When the authorized transfer is completed and the conditions of this order are fulfilled, SoCalGas shall be relieved of its public utility obligations for the transferred gas pipeline.

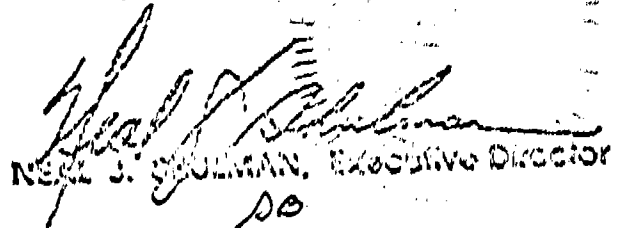
5. The authority granted in Ordering Paragraph 1 will expire if not exercised within 12 months after the effective date of this order.

This order is effective today.

Dated January 15, 1991, at San Francisco, California.

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners

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


NEAL J. GOLDMAN, Executive Director
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