

Decision 83 09 013

SEP 7 1983

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SOUTHERN CALIFORNIA )  
GAS COMPANY, Under Section 851 of )  
the Public Utilities Code, for an )  
Order Authorizing it to Convey to )  
the United States of America )  
Certain Gas Distribution Facilities )  
Located at the Marine Corps Air )  
Station, El Toro (Santa Ana), )  
California, and the Marine Corps )  
Helicopter Station, Tustin, )  
California. )

Application 83-07-33  
(Filed July 18, 1983)

O P I N I O N

In this application, Southern California Gas Company (SoCal) seeks authority under Section 851 of the Public Utilities (PU) Code authorizing it to convey to the United States of America (Government) certain gas distribution facilities at the Marine Corps Air Station, El Toro, and the Marine Corps Helicopter Station, Tustin. Government joins in the application.

By various agreements executed between August 1, 1959 and May 17, 1973, SoCal contracted with Government to own, operate, and maintain gas distribution facilities at family housing, barracks, hangers, and miscellaneous buildings at the Marine Corps bases. For facilities constructed by SoCal, the agreements provide for monthly payments amortizing SoCal's cost of installing gas distribution facilities on a straight line basis over 20 years. The agreements provide that the Government shall pay SoCal the unamortized cost of the facilities, but any charge for the use of the facilities shall terminate at the end of 20 years.

The original cost of the facilities and the unamortized cost is set forth in the following table:

	<u>Original Cost</u>	<u>Unamortized Cost As of 11/30/82</u>
Wherry Housing Project - El Toro	\$ 50,000.00	\$ -
Family Housing - El Toro	40,730.96	7,450.41
Enlisted Men's Quarters - El Toro	980.16	302.66
Hanger Buildings - El Toro	14,459.30	4,479.54
Miscellaneous Buildings - El Toro	<u>3,597.19</u>	<u>1,888.74</u>
	\$109,767.61	\$14,121.35

SoCal is required to maintain the facilities described above. The application states that since the facilities were installed, Government has constructed additional gas distribution facilities which interconnect with SoCal's facilities. Due to uncertainty over ownership of particular facilities, at times Government personnel have made repairs to SoCal's facilities, and at times SoCal has repaired facilities belonging to Government. SoCal and the Government agree that the present arrangement with regard to facilities on Marine Corps installations at El Toro is not workable and should be resolved.

SoCal and Government have agreed in principle to transfer to Government all of SoCal's facilities covered by the agreements in issue. Upon approval by this Commission, SoCal and Government intend to enter into a written agreement which is attached as Exhibit F to the application. Under that agreement, Government will pay SoCal, in a lump sum, the amount of \$14,121.35. SoCal and Government have agreed on this figure. The Government will continue to make its normal payments until the facilities are transferred. Government will be responsible for all maintenance and repair of the facilities transferred to it, and all charges by SoCal to Government with respect to the facilities will cease upon transfer of the facilities. After transfer of the distribution

facilities to Government, SoCal will continue to provide gas service to Government through the facilities in question and to meter such gas before it enters the facilities being transferred to Government.

Upon receipt from Government of payment for the facilities, SoCal will credit to reserve for depreciation an amount equal to the payment. In addition, it will retire the original investment of \$109,767.61 for these facilities by a credit to gas plant in service with an offsetting debit to reserve for depreciation.

SoCal alleges that conveyance to Government of the gas distribution facilities referred to here is in the public interest, and that no hardship or increase in rates will result to its other customers if these facilities are conveyed to Government.

SoCal requests that the application be granted without hearing. It asserts that PU Code Section 851 does not require a hearing and that the sale of facilities serving a single customer will not impair service or increase rates to other customers. It also asserts that the dollar value of the agreement to transfer facilities is de minimis.

Notice of the filing of the application appeared on the Commission's Daily Calendar of July 18, 1983. There are no protests.

Our staff has reviewed the application and recommends ex parte processing and approval.

#### Findings of Fact

1. The proposed sale and transfer of public utility property is not adverse to the public interest.
2. A public hearing is not necessary.

#### Conclusion of Law

The application should be granted as set forth in the following order.

O R D E R

IT IS ORDERED that:

1. The transfer and sale of the gas distribution facilities described in Application 83-07-33 from Southern California Gas Company (Seller) to the United States of America (Buyer) as proposed in the application is approved.

2. Within 10 days after the completion of the transfer, Seller shall notify the Commission, in writing, of the date of the transfer and of the date upon which Buyer shall have assumed operation of the facilities.

3. Upon compliance with all of the terms and conditions of this order, Seller shall be relieved of its public utility obligations in connection with operation of the gas distribution facilities transferred to Buyer.

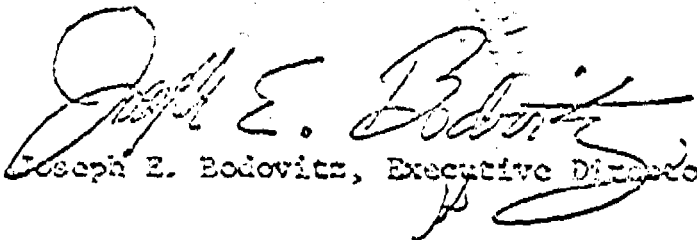
This order becomes effective 30 days from today.

Dated SEP 7 1983, at San Francisco, California.

Commissioner William T. Bagley  
being necessarily absent, did  
not participate.

LEONARD M. GRIMES, JR.  
President  
VICTOR CALVO  
FRISCILLA C. GREW  
DONALD VIAL  
Commissioners

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

  
Joseph E. Bodovitz, Executive Director