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Decision 96-09-082 September 20, 1996

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SOUTHERN CALIFORNIA GAS COMPANY)
for Authority to Close its Branch)
Offices Located in Fullerton and)
Irvine, California)
(U 904 G))

ORIGINAL

Application 96-06-053
(Filed June 27, 1996)

INTERIM OPINION

Summary

The application of Southern California Gas Company (SoCalGas) for permission to close its Fullerton and Irvine branch offices has been set for hearing. On the Commission's own motion, at the initiative of the assigned Commissioner, we will permit SoCalGas to suspend operation of such branch offices pending a final decision in this matter or until April 1, 1997 in order to permit an orderly process for replacement of such offices, should that appear necessary.

Background

On June 27, 1996, SoCalGas filed an application (as required by Ordering Paragraph 5 of D.92-08-038) to close its branch offices located at 1851 West Valencia Drive, Fullerton, California, and at 14155 Bake Parkway, Irvine, California. The application was duly noticed on July 5, 1996 in the Commission's Daily Calendar. The Division of Ratepayer Advocates (DRA) and The Save Our Services Coalition (SOS) filed protests to the application, and a prehearing conference (PHC) was held before the assigned Administrative Law

Judge (ALJ) in Santa Ana, California, on August 29, 1996. At the PHC, Toward Utility Rate Normalization (TURN) entered an appearance and was recognized as an interested party.

The ALJ determined that sufficient potential exists for disputed issues of material fact to warrant an evidentiary hearing and issued a ruling setting forth a schedule for discovery and the service of prepared testimony in anticipation of an evidentiary hearing in November 1996. As a result, the Commission might not have a proposed decision earlier than March 1997.

SoCalGas represents that its branch offices in the two locations are in premises leased from Southern California Edison Company (Edison), which has notified SoCalGas that it intends to close its own branch offices in each location imminently. SoCalGas maintains that although it has leases expiring in 1997 for the premises, it would be impractical for it to remain in operation at those premises without the concurrent presence of Edison. The interested parties protesting the application do not dispute this and do not maintain that the existing branch offices are the only branch offices that could possibly provide adequate service. Rather, they maintain that SoCalGas's proposal that the Commission should not require the opening of replacement offices should be examined to determine whether adequate service would exist.

SoCalGas represents that neither of the branch offices was in operation at the time we issued Decision (D.) 92-08-038.

Discussion

We are faced with two possibilities: Further proceedings will determine that the branch offices are necessary and should be retained in their existing locations or at reasonable substitute locations; or such proceedings will show that the branch offices are

not needed to maintain an adequate level of service to customers. We cannot tell without more of a record which possibility we will choose. Therefore, we should balance the harm that may be avoided by requiring the offices to be maintained with the expense that will be incurred in maintaining offices that may not be actually required, an expense that will likely fall upon the ratepayers.

The extraordinary circumstances that impelled us to adopt our order in D.92-08-038 are not yet proven in this proceeding, and we hesitate to rely upon it as establishing a presumption in this application that the branch offices should remain open. Since it appears that there will necessarily be a delay while replacement offices are prepared, we do not think it will cause undue harm to permit the offices, should they be required, to suspend operations during the pendency of this application, but not later than April 1, 1997.

Findings of Fact

1. On June 27, 1996, SoCalGas filed an application (as required by Ordering Paragraph 5 of D.92-08-038) to close its branch offices located at 1851 West Valencia Drive, Fullerton, California, and at 14155 Bake Parkway, Irvine, California.
2. DRA and SOS filed protests to the application.
3. Evidentiary hearings are set for November 1996.
4. SoCalGas maintains that although it has leases expiring in 1997 for the premises, it would be impractical for it to remain in operation at those premises without the concurrent presence of Edison.
5. SoCalGas represents that Edison intends to close its own branch offices in each location imminently.

6. No party yet maintains that the precise location of the branch offices is a material fact in this proceeding.

7. SoCalGas represents that neither of the branch offices was in operation at the time we issued D.92-08-038.

Conclusions of Law

1. Further proceedings may determine that the branch offices are necessary and should be retained in their existing locations or at reasonable substitute locations; or such proceedings may show that the branch offices are not needed to maintain an adequate level of service to customers.

2. We cannot tell without more of a record which possibility we will choose.

3. We should balance the harm that may be avoided by requiring the offices to be maintained with the expense that will be incurred in maintaining offices that may not be actually required, an expense that will likely fall upon the ratepayers.

4. The extraordinary circumstances that impelled us to adopt our order in D.92-08-038 are not yet proven in this proceeding.

5. SoCalGas should not be required to immediately replace the branch offices during the pendency of this proceeding (or April 1, 1997, whichever first occurs).

I N T E R I M O R D E R

IT IS ORDERED that:

1. Notwithstanding Ordering Paragraph 5 of Decision (D.) 92-08-038, Southern California Gas Company shall not be required to provide replacements for its branch offices located at 1851 West Valencia Drive, Fullerton, California, and at 14155 Bake Parkway, Irvine, California, during the pendency of this application or until April 1, 1997, whichever first occurs.

2. This matter is remanded to the assigned administrative law judge for further proceedings consistent with this opinion.

This order is effective today.

Dated September 20, 1996, at San Francisco, California.

P. GREGORY CONLON
President
DANIEL Wm. FESSLER
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners