

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-2941
March 13, 1991

R E S O L U T I O N

RESOLUTION G-2941. SOUTHERN CALIFORNIA GAS COMPANY'S
REQUEST FOR AUTHORIZATION TO ABANDON A PIPELINE AND
SERVICE TO TWO RESIDENTIAL CUSTOMERS.

BY ADVICE LETTER 2001, FILED ON DECEMBER 20, 1990.

SUMMARY

1. Southern California Gas Company (SoCalGas) requests authority to abandon its public utility obligation to two residential customers located in the Sisquoc area of Santa Barbara County and 3.24 miles of 3 inch gas pipe line providing service to the two customers.
2. This Resolution grants the request.

BACKGROUND

1. SoCalGas purchased the gas pipe line from Union Oil Corporation in 1957. The pipe line is believed to have been constructed in the early 1900's. Because of the age of the pipeline it is a continuing maintenance and safety problem for SoCalGas.
2. Maintenance of this pipe line is a constantly increasing expense for SoCalGas, and SoCalGas receives only minimal revenues from the two customers on the pipe line.
3. SoCalGas has contracted with the two residential customers to terminate natural gas service. The agreements for the conversion of these customers to "Propane" gas service provides that the conversion will be at no cost to these two customers.

NOTICE

1. Public notification of this filing has been made by publication in the Commission's calendar on December 28, 1990, and by mailing copies of the advice letter to other utilities and governmental agencies.

PROTESTS

1. One letter of protest was received. The Commission's Division of Ratepayer Advocates is concerned about establishing precedent for future service abandonments.

DISCUSSION

1. The area served by this pipe line is rural. It appears unlikely that there will be an opportunity to increase sales of natural gas in the area in the near future.

2. Replacement of this pipe line, would cost an estimated \$153,918; or \$12,400 to repair the 23 known leaks. Annual revenues from the customers is approximately \$1,300.

3. SoCalGas has contracted with the two customers being abandoned to pay the initial costs, estimated to be \$700 per customer, of conversion to Propane Gas Service, and to pay a lump sum of \$1,560.00 to each customer for approximately the first 2 1/2 years of service.

4. The proposed terms of settlement, with the two customers being abandoned, is in accordance with the requirements for service abandonment by a natural gas utility (Santa Maria Gas Company) as established in D.7748 in A.5675, (1920) 18 Cal RRC 383. The tenor of all the decisions on this subject is that customers have or are provided with an alternative so that they are no worse off after the abandonment than they were before.

5. Since the customers have agreed to the abandonment and this abandonment is a net savings to the remaining system, no ratepayers will be harmed by granting the abandonment.

FINDINGS

1. The customers who will be affected by this abandonment have agreed to the abandonment.

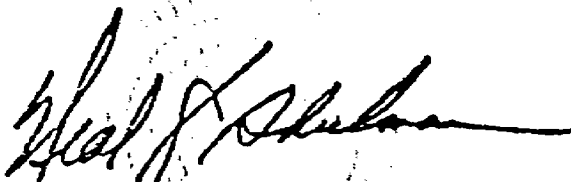
2. The terms and conditions of the agreements with the customers are reasonable for this service abandonment.

THEREFORE, IT IS ORDERED that:

1. Southern California Gas Company is authorized to abandon its service obligation to these two residential customers and the facilities required to provide this service.
2. Advice Letter 2001 shall be marked to show that it was approved for filing by Commission Resolution G-2941.
3. Southern California Gas Company shall notify the Commission Advisory and Compliance Division of the completion of the customer conversions to Propane Gas service.
4. Upon receipt of the notice of completion of conversion Southern California Gas Company shall be authorized to abandon its public utility obligation on this pipeline.
5. Approval of this Resolution shall not be considered as approval of similar terms of service abandonment in other proceedings.
6. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on March 13, 1991. The following Commissioners approved it:

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. OHANIAN
DANIEL WM. FESSLER
NORMAN D. SHUMWAY
Commissioners



Neal J. Shulman
Executive Director