

Decision No. 15695-

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of Midway Gas Company, a California corporation, for certificate of public convenience and necessity, for authority to construct a 13" natural gas line extending from a point in the Ventura River Oil Field, Ventura County, to a point in the County of Los Angeles, tying in with applicant's existing natural gas lines extending from Taft to West Glendale, California, and for certificate of public convenience and necessity, to exercise certain franchise rights in the County of Ventura, and in the Cities of San Buenaventura, Santa Paula, and Fillmore under franchises provided for by applicant.

Application No. 11,672.

Thos. J. Reynolds, for applicant.

LeRoy M. Edwards, for Southern Counties Gas Company.

BY THE COMMISSION:

O P I N I O N

Midway Gas Company of California asks the Railroad Commission to certify that the present or future public convenience and necessity require the construction of a pipe line for the transmission of natural gas from the Ventura River Oil Fields to connect near Castaic with applicant's existing natural gas line extending from Taft to West Glendale, California, and to exercise in the construction and operation of such a line, franchise rights granted, or to be granted, by the County of Ventura and the cities of San Buenaventura, Santa Paula and Fillmore.

It appears from the evidence presented at a public hearing held on September 24, 1925, before Examiner Williams, that the supply of gas available in Ventura River Oil Field has been greatly increased during the last few months, and also that the sources of natural gas in the Los Angeles Basin from which applicant receives natural gas for distribution in this territory, are constantly diminishing. These statements are in accord with the results of investigations that have been carried on by the Commission's engineers.

It was brought out at the hearing that applicant has contracted with the Shell Oil Company and the General Petroleum Company, who are operating in the Ventura River Oil Field, for the purchase of some thirteen and a half million cubic feet of gas per day. This gas is now being blown to the atmosphere, and in order to secure the future production from these sources applicant has started the construction of the thirteen inch pipe line in question. At the time of filing of the application for certificate, applicant was handling approximately 200,000,000 cubic feet of natural gas per day, secured mainly from the oil and gas fields in the so-called Los Angeles Basin.

The available quantity of natural gas from fields in the Southern Basin has constantly decreased and investigation made by the Commission's engineer shows that unless additional natural gas is brought into this territory for distribution, there will be a gas shortage during the coming winter months, provided the same are of normal, or lower than normal temperature. As a matter of fact, there were several days last winter during which it was necessary to discontinue natural gas service to industrial consumers in the Los Angeles area.

At the public hearing, attorney for applicant stipulated that Midway Gas Company will not serve any consumers in Ventura County, or in any incorporated town or city in Ventura County. Applicant further states that construction of said thirteen inch natural gas line will be financed through short time loans from certain banks in the City of Los Angeles, or through the issuance and sale of long term notes.

The granting of the certificate prayed for at this time is justified by the prospective convenience and necessity of the public as a whole rather than by any immediate necessity of the consumers now served by Midway Gas Company. The certificate that is granted will therefore be subject to the condition that the gas to be transmitted by the line herein authorized, will be distributed for the entire public rather than for the limited portion served by Midway Gas Company.

O R D E R

Midway Gas Company of California, having applied to the Railroad Commission for an order certifying that present, or future, public convenience and necessity require the construction of a pipe line for the transmission of natural gas and the exercise of the rights and privileges of certain franchises granted, or to be granted, to Midway Gas Company of California, a public hearing having been held, the matter being submitted and now ready for decision;

The Railroad Commission hereby certifies and declares that public convenience and necessity require, and will require, the construction, by Midway Gas Company of California, of a pipe line for the transmission of natural gas in the approximate location and along the route shown in maps submitted as applicant's Exhibit "G", from a point in the Ventura River Oil Field to a point near Castaic in the County of Los Angeles, and the exercise by Midway

Gas Company of the rights and privileges under franchises granted, or to be granted County of Ventura, Cities of San Buenaventura, Santa Paula and Fillmore, all subject to the following conditions, and not otherwise.

1. That in the event of the shortage in the supply of natural gas in Los Angeles, Orange, San Bernardino, or Riverside Counties, the natural gas transported by means of said pipe line shall be disposed of and distributed in accordance with the orders of this Commission.
2. That on or before December 31st, 1925, Midway Gas Company of California shall file with this Commission a copy of each of said franchises and a stipulation duly executed on authority of its Board of Directors, agreeing that it will never claim for any of said franchises a value in excess of the cost thereof.
3. The authority herein granted shall become effective only upon the issuance of a supplemental order by the Railroad Commission approving the stipulations referred to in Condition No. 2 above.

Dated at San Francisco, California, this 30th day of
November _____, 1925.

H. B. Brundage

C. Stearns

George D. Squires

Leon White

Commissioners.