

Decision No. 33869

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application  
of SOUTHERN COUNTIES GAS COMPANY  
OF CALIFORNIA for an order approving  
contract dated July 17, 1940, for  
the sale of gas to The Housing  
Authority of the County of Los Angeles,  
California.

ORIGINAL

Application No. 23937

BY THE COMMISSION:

OPINION AND ORDER

In this application Southern Counties Gas Company, hereinafter sometimes referred to as Seller, requests authority to enter into a written agreement with The Housing Authority of the County of Los Angeles, a public corporation created by the Housing Authorities Law of the State of California and hereinafter sometimes referred to as Local Authority, relating to the sale and delivery of firm natural gas as shall, during the term of the agreement, be required for general use of the Local Authority in the latter's low rent housing project, to be known as County Harbor Hills Housing Project, located at the intersection of Palos Verdes Drive and Western Avenue in the County of Los Angeles. A copy of the proposed agreement marked Exhibit "A," is attached to and made a part of the application.

Some of the more important features and conditions of the aforesaid agreement may be here set forth.

The Seller obligates itself to maintain, supply and sell firm natural gas and the Local Authority agrees to purchase

and pay for such gas as the latter may require for all of its requirements for cooking, refrigeration, water heating, space heating and for such other purposes as may later develop in connection with the Harbor Hills Project.

The agreement further provides that the Seller shall make, at its own expense, the necessary main and service extension as may be necessary to serve the aforementioned Housing Project through a master meter and that the Local Authority shall provide all facilities required beyond the master meter installation. In respect to the operation and maintenance, the Seller's responsibility ends with the metering installation and the Local Authority has the full responsibility to operate, maintain and take care of replacements beyond such metering point. The agreement, however, does provide that upon request of the Local Authority the Seller will undertake to provide adjustments (not repairs) to the installed appliances in the Housing Project.

The rate to be paid and the special conditions relating to said rate are set forth and made a part of Exhibit "A" and marked Exhibit "B." The rate portion provides as follows:

RATE:

The consumer will qualify for service through a single or master meter installation under the following rate:

Fixed Charge (Aggregate of (A) and (B) hereof)

- (A) Per \$100.00 of adjusted cost of main extension necessary to serve project ..... \$ 0.75
- (B) First 250 dwelling units or less ..... 37.50
- All over 250 dwelling units, per dwelling unit. 0.15

Commodity Charge: (To be added to Fixed Charge)

- First 250,000 c.f.-4.00¢ per 100 c.f. per meter per month
- All over 250,000 c.f.-3.65¢ per 100 c.f. per meter per month

MINIMUM CHARGE:

The monthly minimum charge shall be the Fixed Charge as herein set forth.

The term of the contract is for a period of three years, dating from the 17th day of July, 1940, when the agreement was signed, and thereafter from year to year until either party shall give the other at least sixty (60) days' written notice of its desire to terminate the agreement prior to any anniversary date.

In addition to the specific conditions set forth, the contract agreement further provides that service shall be rendered in accordance with the Utility's filed rules and regulations with the Railroad Commission and, further, that the contract shall be subject to the Commission's jurisdiction in accordance with General Order No. 53.

The Seller alleges that the rates for natural gas to be sold under the contract are reasonable and nondiscriminatory and will result in an average rate of approximately 44.5 cents per M.c.f. to the Local Authority. In further substantiation of the proposed agreement and the rate schedule to be applied, the Applicant Seller refers to a similar service and rate authorized by this Commission's Decision No. 33713 in Application No. 23827 of the Southern California Gas Company.

The Commission having considered the request of Southern Counties Gas Company and it being of the opinion that the application should be granted and that a public hearing in the matter is not necessary and sufficient cause appearing therefor,

IT IS ORDERED that Southern Counties Gas Company is hereby authorized to furnish and sell natural gas to The Housing Authority of the County of Los Angeles, at the Harbor Hills Project, at the rates and under the conditions set forth in Exhibit "A," attached to the application; provided, however,

that the authority herein granted shall not be taken as limiting the Commission's authority to modify or set aside such agreement by appropriate order.

The authority herein granted shall be effective on the date hereof.

Dated at San Francisco, California, this 4<sup>th</sup> day of February, 1941.

[Signature]  
Robert W. Anderson  
Ray L. Riley  
James J. Cravens  
Frank R. Havens  
(Commissioners)