

Decision No. 35701

584

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of the
SOUTHERN COUNTIES GAS COMPANY OF CALI-
FORNIA for an ex parte order authorizing
it to enter into a proposed contract with
the Housing Authority of the City of
Los Angeles for the sale of gas at a
housing project in the City of San Pedro
(Identification No. Cal. 4-4), Los Angeles
County, California.

Application No. 25134

BY THE COMMISSION:

OPINION AND ORDER

In this application Southern Counties Gas Company, hereinafter referred to as Utility, requests authority to enter into a written agreement with the Housing Authority of the City of Los Angeles, a public body organized under and by the virtue of the Housing Authorities Law of the State of California and hereinafter 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's tenants in a low-rent housing project, designated and known as Rancho San Pedro Housing Development, Cal. 4-4, located in the City of San Pedro, between Center Street and Palos Verde Street, and between Santa Cruz Street and Third Street. A copy of the proposed agreement, marked Exhibit "A," is attached 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 Utility obligates itself to maintain, supply and sell firm natural gas and the Local Authority agrees to purchase and pay for such gas, to be used by tenants in its housing project for cooking, water heating, refrigeration, and space heating, if and when available under War Production Board Limitation Order L-31.

The agreement further provides that the Utility, without expense to the Local Authority, shall provide, operate and maintain all facilities for supplying and metering the gas to the point of delivery; further, that the Local Authority shall furnish, construct, own, maintain, and operate the complete and entire gas distribution system of the Project Development from the point of delivery.

The agreement also provides that in the event of a change in the standard B.t.u. content of the gas to be furnished hereunder, it will, without charge to the Local Authority, make such adjustments in the appliances of the Project Development and of its tenants as are required to maintain the same utilization efficiency as before the change in heat content. It is further stipulated that no portion of the gas supplied shall be resold, except that the Local Authority may sell or otherwise distribute gas to tenants of the Project Development as an incident of tenancy.

The rate to be paid and the special conditions relating to said rate are set forth and made a part of exhibit.

The rate portion, together with Special Condition (1), provides as follows:

RATE

The consumer hereunder will qualify for service under Rate "Y" or Rate "Z" hereof as provided in Special Condition (1).

<u>Fixed Charge: (Aggregate of (A) and (B) hereof)</u>	<u>Per Month</u>
(A) Per \$100.00 of adjusted cost of main extension and/or reinforcement 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

<u>Commodity Charge: (To be added to fixed charge)</u>	<u>Rate "Y"</u>	<u>Rate "Z"</u>
	<u>Per Meter-</u>	<u>Per Month</u>
First 250,000 cu. ft., per 100 cu. ft.	4.25¢	4.00¢
All over 250,000 cu. ft., per 100 cu. ft.	3.85¢	3.65¢

Minimum Charge:

The monthly minimum charge shall be the fixed charge herein set forth.

SPECIAL CONDITIONS

(1) If the consumer will use gas hereunder as the principal fuel for cooking and water heating, or cooking, water heating and space heating, Rate "Y" shall be applied; or if the consumer will use gas hereunder as the principal fuel for cooking, water heating and refrigeration, or cooking, water heating, refrigeration, and space heating, Rate "Z" shall be applied.

The term of the contract is for one year dating from the initial gas service and provides that said contract shall continue thereafter from year to year unless either party shall give the other at least thirty (30) days' written notice of its desire to terminate the agreement prior to any anniversary date. The proposed contract may also be terminated by the Local Authority if the Local Authority shall sell or otherwise dispose of any part of the Project Development. It is provided that in the event of such disposal the Local Authority will advise the Utility at least ten (10) days prior to the passage of title.

In addition to the specific conditions set forth, the contract agreement 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.

The Utility alleges that the rates for natural gas are reasonable and nondiscriminatory and will result in an average rate of approximately 44.42¢ per M.c.f. for gas used for cooking, refrigeration, and water heating, and that if authority is granted for the additional use of gas for space heating and such additional use is made then the average rate will be approximately 41.13¢ per M.c.f. In further substantiation of the proposed agreement and the rate schedule to be applied, the Utility refers to similar service and rate authorized by this Commission's Decision No. 33869 in Application No. 23937 covering a contract of this Applicant with the Housing Authority of the County of Los Angeles, and also to Decision No. 35436 of Application No. 25009 covering two contracts of this Applicant with the United States of America.

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, therefore,

IT IS ORDERED that Southern Counties Gas Company is hereby authorized to furnish and sell natural gas to the Housing Authority of the City of Los Angeles at Rancho San Pedro Housing Development, located in the City of San Pedro, 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 18th day of

August, 1942.

Justus J. Calver
Ray L. Riley
W. H. Kell
Francis D. Havens
Richard L. Laska
Commissioners.