

Decision No. 36415

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of SAN
 DIEGO GAS & ELECTRIC COMPANY, a corporation,)
 for an order authorizing Applicant to file)
 and make effective a rule and regulation)
 relating to the sale of surplus natural gas)
 to be designated "Emergency Gas Rule and)
 Regulation", having a number fixed by the)
 Railroad Commission, and to be in the words)
 and figures shown in "Exhibit A" hereto.)

Application No. 25628

TO THE COMMISSION:

OPINION AND ORDER

In this application San Diego Gas and Electric Company requests an Order authorizing it to file and make effective a rule and regulation entitled "Limitation Upon Surplus Natural Gas Service." The proposed rule is marked Exhibit "A" and is attached to and made a part of the application.

Applicant alleges it is now and has for some years been supplying surplus natural gas service to some industrial customers under its Schedule NS-1 on file with this Commission. Under the regulations applying to surplus service the Applicant is permitted to discontinue such service in case of an actual or threatened shortage of supply of natural gas or on account of emergency conditions which may exist on natural gas transmission lines.

In the past Applicant has had available sufficient natural gas to supply the industrial customers on the surplus schedule during the greater part of the year, but subject to shutoff when Applicant was unable to deliver sufficient natural gas to take care of such requirements in addition to its other requirements. As the result of the tremendous growth in the San Diego area since the start of the war effort, Applicant points out that the use of any available surplus natural gas which they may have has become so necessary for the use of customers already connected to Applicant's system as well as for

Applicant's firm consumers and other necessary uses that Applicant can no longer contemplate the possibility of supplying any new surplus natural gas customers.

The conditions and regulations of the emergency rule contemplated by Applicant may be set down as follows:

1. Surplus natural gas service shall be and is hereby declared closed:

- a. To new applicants;
- b. To existing and former customers at new locations;
- c. To existing firm gas customers at present locations;
- d. For additional equipment at any location.

2. The Railroad Commission may, by rule, order or otherwise establish or permit such exceptions from the conditions of paragraph 1 hereof as it may consider just and reasonable.

This emergency rule and regulation shall terminate six (6) months after the declaration of an armistice in the present war unless extended by action of the Railroad Commission.

In further support of the necessity of restricting surplus service as presented herein, Applicant states there has been an extraordinary increased demand for natural gas for use in plants of war industries located in San Diego. There has also been increased demand on the part of firm gas users and while the need of Applicant for use of natural gas in its electric generating plants has increased, less gas is available for that purpose. Another fact contributing to the reasons for this application is the impossibility of increasing the capacity at this time of the one transmission line bringing natural gas to San Diego. Even if capacity could be increased, there is good reason to believe that because of the greater requirements for use of natural gas in the Los Angeles Basin, it is doubtful whether the Applicant could obtain any more natural gas.

For these reasons Applicant proposes the new emergency gas rule and

regulation set forth herein in order that it make the best and most economic use of the natural gas available.

We observe that the proposal of Applicant is an emergency measure and will expire six months after the declaration of an armistice unless other action has in the meantime been taken. The closing of surplus tariffs to new customers and to new uses must be viewed as an important step in this class of service. The Commission is quite fully advised as to the sharply increased war demands for gas. Applicant has made reference to the Commission's own investigation, under Case 4591, into all phases of surplus natural gas service in this State. Its Interim Orders Nos. 34797 and 35455, rendered November 26, 1941, and June 9, 1942, respectively, point out the gravity of the surplus gas situation and particularly require that auxiliary fuels shall be provided for all new services of that classification.

We are mindful, too, of our similar Order issued August 18, 1942 (Decision No. 35707) in Application No. 25139 of the Pacific Gas and Electric Company wherein the surplus tariffs were closed in the same manner and degree as herein requested by Applicant. In that Opinion and Order the following observation was made:

"The Commission is of the opinion that, with the background of the aforesaid investigation and the common knowledge as to the necessity of bringing into force all conservation measures that are not inconsistent with the requirements of the industry, an interim order at this time is justified permitting the filing of the Emergency Gas Rule and Regulation as herein proposed by Applicant. In making such authorization, the California Railroad Commission recognizes the public interest involved and finds that the restrictions as to additional sales in surplus gas will not, in its opinion, result in illegal discrimination as between new customers and uses denied and those customers presently receiving service. This action, however, should be viewed as an emergency measure and for the period provided or until such lesser time as may be required for the California Railroad Commission to review and pass upon the whole surplus gas situation under Case No. 4591."

A public hearing under the circumstances being deemed unnecessary, and good cause appearing;

IT IS HEREBY ORDERED that San Diego Gas and Electric Company is authorized to file a rule and regulation entitled "Limitation Upon Surplus

Natural Gas Service" and in accordance with that attached to the application
as Exhibit "A".

The effective date shall be the date hereof.

Dated at San Francisco, California, this 8th day of June, 1943.

Francis A. Havenue
J. J. Baker
Justin F. Green
Arthur R. Baker
Thomas W. Carr

Commissioners