

ORIGINALDecision No. 36463

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of California Figo Company, a
partnership, for permission to
receive surplus gas service.

Application No. 25603

Mrs. Elizabeth M. Baumann and Mrs. A. M. Riecken,
for Applicant.
T. J. Reynolds and F. M. Banks, for Southern
California Gas Company.
Joseph Sodoma, for Southern Counties Gas Company.
Carl Crenshaw, of the Commission's Staff.

BY THE COMMISSION:

O P I N I O N

This is an application of California Figo Company, a partnership, to receive and utilize surplus gas without the installation of stand-by equipment from the Southern California Gas Company.

A public hearing was held in the Commission's office in Los Angeles on Wednesday, May 19, 1943, before Examiner Wehe, at which time evidence was taken and the matter submitted for decision.

The application shows that the petitioner is engaged in the business of the manufacture of a coffee substitute made from roasted barley and figs, under the trade name of "Figo"; that in the production of Figo gas is exclusively used in the roasting equipment in the plant of the petitioner located in Los Angeles, California. It is of further record that said company has been in operation and using gas since 1935, and that during the latter part of 1942 petitioner's gas requirements increased sharply with the installation of new roasters because of increased demands for its products with the rationing of coffee. Testimony taken at the hearing shows that the California Figo Company's gas requirements were very modest up until the fall of 1942,

when they increased several fold to a total of 7,500 cubic feet daily. The record likewise shows that the gas service was purchased on the general service tariffs of the Southern California Gas Company and on January 22, 1943, the petitioner requested that it be permitted to take and pay for gas in the future on the appropriate lower surplus gas tariffs of the utility. The petitioner at that time, and at the hearing, indicated its willingness to temporarily discontinue using the surplus gas when ordered by the utility in accordance with the provisions of the surplus tariffs. The record, in addition, shows that the California Figo Company has no stand-by or auxiliary fuels that it could utilize in case natural gas were shut off and, further, since it is not classed as an essential war industry it is problematical whether it could secure liquefied petroleum gas equipment and fuels that would be required.

It is of record too that the petitioner made application to the War Production Board for permission to use the additional gas required in the added barley and fig roasters installed in 1942 without stand-by and that such permission was granted.

Mr. F. M. Banks, Vice President in Charge of Sales for the Southern California Gas Company, testified that it was his company's position that it was better to take on a non-essential war load, such as represented by the California Figo Company, under a tariff which would provide for the interruption of gas service in case of shortage, rather than to add that load under a firm gas tariff as an obligation during times of system peak. It was further pointed out that this view appeared to be particularly justified inasmuch as the engineering estimates showed there would be an insufficient natural gas supply during periods of maximum demand to meet the requirements of its regular firm customers.

This application arises inasmuch as petitioner is seeking a deviation from the utility's filed surplus gas tariffs and this Commission's Decisions 34797 and 35455. Said surplus gas tariffs and Commission's Decisions require,

among other things, that natural gas may only be sold and utilized to new customers or for new uses to old customers after December 16, 1941, if adequate stand-by equipment and fuels are provided unless special authority be otherwise obtained.

The Commission observes that the operations of the California Fieco Company are not classified as an essential war industry and, because of this fact, it is difficult if not impossible to have stand-by equipment installed and to secure the necessary liquefied petroleum fuels and, further, that it has control over its operations so that it can and will observe all shut-off orders of the utility. Likewise it is seen that greater flexibility in the operation of the utility will be obtained by handling loads of this character on an interruptible basis. Under the circumstances it appears that the request of the California Fieco Company is reasonable. The Commission, however, desires to point out that if petitioner's operations were those classed as an essential war industry, then the conclusions might well be different.

O R D E R

A public hearing having been held in the above proceeding and the matter having been submitted for decision and the Commission being fully advised in the premises;

It Is Hereby Found As A Fact that the operation of the gas burning roasting and auxiliary equipment of California Fieco Company warrants the Southern California Gas Company to supply natural gas service to said equipment and without the necessity of petitioner installing and maintaining stand-by and auxiliary fuel; therefore,

IT IS HEREBY ORDERED that the Southern California Gas Company may render surplus gas service to the California Fieco Company under the appropriate filed tariffs and under the conditions of such tariffs and to the extent found reasonable in the finding hereinbefore set forth, provided that the period of such service without auxiliary stand-by equipment and

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fuels shall not exceed the war period plus six months, unless otherwise authorized by the Commission.

The effective date of this Opinion and Order shall be the date hereof, dated in San Francisco, California, this 29th day of June, 1943.

Fred C. Lawrence
H. J. Smith
John C. ...
James O. ...
Commissioners