

Decision No. 37245

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 a Contract with the
UNION SUGAR COMPANY for service of surplus
natural gas for industrial purposes.

ORIGINAL

Application No. 26274

BY THE COMMISSION:

OPINION AND ORDER

In this application Southern Counties Gas Company asks the Commission for an order approving a contract for the service of surplus natural gas to the Union Sugar Company for industrial purposes at its sugar factory located at Betteravia, California. A copy of the contract, marked Exhibit "A," is attached to the application.

Under the terms of the contract referred to, the gas company agrees to be ready to commence service to the sugar company beginning July 15, 1944, or as soon thereafter as the utility shall be ready to commence service to the customer, service to be under the utility's rules and regulations now on file with the Commission, and at the following rates: 12¢ per 1000 cubic feet from the start of the campaign to and including October 31, 1944, and 14¢ per 1000 cubic feet from November 1, 1944, to the end of the 1944 sugar campaign. The minimum amount of gas to be paid for per day is 3000^M/cubic feet, except when testing out, starting or closing down the sugar campaign, at which times the actual amount required shall be the minimum.

The contract is to terminate at the end of the 1944 sugar campaign.

To prevent the withdrawal of natural gas which might be kept in the ground for ultimate use by domestic, commercial, gas engine, wholesale and essential industrial customers, the gas company as provided by the agreement has the right at any time, upon not less than two (2) days' notice, to discontinue the supply of gas to the sugar company. In the exercise of the above

right by the gas company, surplus customers paying the higher rates have priority of service. If the exercise of the above right of discontinuance of service results in an unsatisfactory service to the sugar company, the latter has the right to cancel the contract upon ten (10) days' notice to the gas company.

It is our interpretation of the agreement that the customer has adequate standby fuel and equipment that is ready for immediate operation in case it becomes necessary to curtail or temporarily discontinue gas service.

The agreement provides that it shall at all times be subject to such changes or modifications as the Railroad Commission may from time to time direct.

In support of the contract, Applicant alleges that it is just and reasonable and requests the necessary authorization to carry out its provisions.

The Commission having considered the request of Applicant and being of the opinion that the requested authority should be granted, that a public hearing in the matter is not necessary, and sufficient cause appearing therefor

IT IS HEREBY ORDERED that Southern Counties Gas Company be, and it is hereby authorized to enter into that certain agreement attached to this application marked Exhibit "A" and to serve surplus natural gas to the Union Sugar Company at the rates and under the terms and conditions set forth in said agreement.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California this 9 day of August, 1914.

Richard P. Hays
Justus F. Quince
Francis D. Hawley
Francis D. Brown
John H. Quince
Commissioners