

Decision No. 38013

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHERN CALIFORNIA GAS COMPANY, a corporation, and SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA, a corporation, for an order authorizing each applicant to file and make effective an "Emergency Rule and Regulation" relating to firm gas service for nonresidential usage.

ORIGINAL

Application No. 26802

BY THE COMMISSION:

OPINION AND ORDER

This is a joint application by Southern California Gas Company and Southern Counties Gas Company of California requesting authority to make effective an emergency rule and regulation placing certain limitations upon the use of natural gas by nonresidential customers. The purpose of the proposed rule and regulation is to continue in effect, for a temporary period, a modified part of the restrictions that were imposed upon this class of service since the beginning of the war by virtue of War Production Board orders.

It is a fact that since the first part of 1942 natural gas service by these utilities has been subject to certain limitations issued by the War Production Board under its Limitation Order L-31 and subsequently by Order U-7. By its letter of June 8, 1945, the War Production Board notified applicants that they are now exempted from the restrictions of said Order U-7, relative to new deliveries of gas to any nonresidential and residential consumers. These restrictions were set forth in Sections (d) and (e) of the U-7 Order. The War Production Board letter, a copy of which is marked Exhibit "A", attached to and made a part of the application, further states: "If utilities feel that gas loads in their particular areas should be curtailed, they may take such action as is permitted under State law, through their own regulations or through cooperation with local regulatory bodies."

The import of this action by the War Production Board has the effect of removing all restrictions pertaining to the supply of firm or non-shutoff gas to nonresidential consumers. It is alleged by Applicants that their firm gas load has been increasing during the past few years without a corresponding increase in their natural gas supply. Applicants are fearful that to continue to take on all firm gas loads, regardless of size and character, would impair the supply of natural gas to their residential and commercial customers at times when gas demands are at a peak.

In order to exercise some measure of control over new requests for fairly large firm nonresidential service, each of the Applicants proposes to file and make effective an Emergency Rule and Regulation which would contain a provision substantially as follows:

"Service of gas for nonresidential usage under any firm schedule in any equipment (usage to be cumulative in such equipment and all equipment thereafter added at the same premises) estimated by the Company to use in excess of 25,000 cubic feet of gas per day of twenty-four hours, not served at the effective date hereof with gas under a firm schedule, shall be rendered only subject to the approval of the Railroad Commission of the State of California."

In addition to the above, the emergency rule and regulation would contain an appropriate clause stating that it shall terminate six months after an armistice of World War II unless extended by appropriate action of the Railroad Commission of the State of California.

Under the present circumstances relative to the availability and demand for firm natural gas in the territories served by Applicants, it appears that some measure of control as proposed in this application is warranted. If this is not done, and the existing gas supply is not materially changed, Applicants may experience difficulty in maintaining deliveries to war industries and essential civilian service during extreme or adverse weather conditions. Such control should be exercised with due regard to the demand and the availability of natural gas supplied by the utilities for other than firm use, including interruptible and surplus schedules. Consequently, we are of the opinion the proposed emergency rule and regulation is desirable at this time to prevent the possibility of any situation that may impair the war effort of the utilities' existing customers.

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

IT IS HEREBY ORDERED that Southern California Gas Company and Southern Counties Gas Company of California be authorized to file and to carry out and make effective the provisions of the proposed rule and regulation as set forth in the application, and further that said emergency rule and regulation will be made effective as of the effective date of this order.

The effective date shall be the date hereof.

Dated at San Francisco, California, this 19th day of June, 1945.

David Anderson
Justus F. Calder
Richard L. Baker
William W. Carr
Frank J. Sweeney
Commissioners