

Decision No. 38231

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

INDUSTRIAL ENGINEERING CO.,

Complainant,

vs.

SOUTHERN CALIFORNIA GAS COMPANY,
a corporation,

Defendant.

Case No. 4802

Samuel S. Gill, Industrial Engineering Company
L. T. Rice, Southern California Gas Company

BY THE COMMISSION:

O P I N I O N

In this petition Industrial Engineering Company asks that a deviation be granted from the tariff requirements so that Southern California Gas Company may render gas service under its applicable surplus gas schedule at petitioner's plant at Gepford, California, without petitioner providing the required standby fuel burning facilities.

The matter was heard at a public hearing held in Los Angeles on October 17, 1945 and submitted for decision.

Industrial Engineering Company is engaged in the business of processing used pipe, and now operates a plant near Wilmington. The present petition is for surplus gas service to a second pipe processing plant at Gepford near Hanford, California. This is a portable plant and will be used to recondition about twenty-seven miles of used gas mains. It was estimated that the job would take from two to three months for completion, depending upon weather conditions.

The witness for Applicant presented a complete description of the nature of the reconditioning process, pointing out that gas fuel is the most desirable and efficient. It was also indicated that the cost of installation of standby

facilities for a portable plant to be used on a job of short duration would be excessive and the use of other standby fuels requires the utilization of special burners which are not available at this time. Petitioner also alluded to the fact that gas service to the portable plant could be rendered by the utility's presently available facilities and that it would be impracticable and unreasonable to install standby.

While petitioner indicated a willingness to take shutoff if it were necessary for the utility to make gas curtailments, the record shows a plant shut-down would affect about forty men involving a daily pay roll of approximately \$375. On the other hand, the cost of natural gas on a firm basis would exceed the cost of surplus gas service by approximately \$30 a day. It was pointed out by a witness for the utility that gas curtailments in the San Joaquin Valley area may be brought about by either one or both of two causes; namely, the inadequate capacity of the local system, or an inadequate amount of surplus gas for the entire system. The season of possible curtailments extends from November to February, inclusive, with probable curtailment periods of several days or several weeks.

While petitioner's position is somewhat unusual in respect to the use of the gas, yet it is not sufficiently so to establish a reason for a deviation as compared to many other applicants for similar service. It would appear also that even from petitioner's own interests it is questionable whether any actual savings would result if a deviation were granted inasmuch as plant shutdowns might well result in greater costs.

O R D E R

The hearing having been held in the above entitled matter, the Commission being fully advised, and good cause appearing, therefore

IT IS HEREBY ORDERED that Case No. 4802 be and is hereby dismissed without prejudice.

1945.

Dated Los Angeles, California, this 30th day of October

David G. Quinn
Justice F. Coleman
Francis D. Bera

W. S. Powell
Commissioners