

Decision No. 39064

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
JOHNS-MANVILLE PRODUCTS CORPORATION
for the service of surplus natural gas for
industrial purposes; and extensions and
amendments therefor.

ORIGINAL

Application No. 27430

OPINION AND ORDER

In this application Southern Counties Gas Company of California requests authority to carry out the terms of a supplemental agreement dated March 14, 1946 with Johns-Manville Products Corporation for the service of natural gas to be used by the Johns-Manville Corporation at its plant located in the vicinity of Lompoc, Santa Barbara County.

The proposed agreement amends and extends for a period of one year an agreement dated April 1, 1941 under which Applicant and its predecessor in interest, Santa Maria Gas Company, have furnished surplus natural gas to Johns-Manville Products Corporation. A copy of the original agreement and of the proposed supplemental agreement are attached to the application and marked Exhibits "A" and "D", respectively.

The term of the original agreement was three years and has twice been extended for periods of one year. The deliveries were initially limited to not more than 1750 Mcf per day, but with each extension of the agreement this provision was amended so as to permit deliveries up to 2500 Mcf per day.

The rate provided for in the agreement is 14 cents per Mcf, subject to a change of one-sixth cent per Mcf for each change of one cent in the posted price of fuel oil above 85 cents per barrel. The resultant rates are limited to a minimum of 14 cents per Mcf and a maximum of 20 cents per Mcf.

It is provided in the extension agreement that, except as to the termination date and the maximum deliveries heretofore referred to, the original agreement dated April 1, 1941 shall remain in full force and effect.

The agreement likewise contains a provision that it at all times is subject to such changes and modifications by the Railroad Commission of the State of California as said Commission may from time to time direct in the exercise of its jurisdiction.

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

IT IS HEREBY ORDERED that Southern Counties Gas Company of California is authorized to continue the rendition of surplus natural gas service to Johns-Manville Products Corporation at the rates and under the terms and conditions set forth in that certain agreement dated April 1, 1941, Exhibit "A", as extended and amended in Exhibit "D" dated March 14, 1946.

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

Dated at San Francisco, California, this 11th day
of June, 1946.

David Rudman
Justice F. Calver

Frank Russell
Harold P. Hull

Commissioners