

Decision No. 41018

BEFORE THE PUBLIC UTILITIES 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 and authorizing Applicant to carry out the terms of such contract with SOUTHERN CALIFORNIA EDISON COMPANY for the service of surplus gas for industrial purposes.

ORIGINAL

Application No. 28875

OPINION AND ORDER

In this application Southern Counties Gas Company of California requests authority to enter into a written agreement with Southern California Edison Company relating to the sale and delivery of natural gas on a dump basis for industrial purposes in the latter company's steam electric generating plant at Long Beach. A copy of the proposed agreement, marked Exhibit A, is attached to and made a part of the application.

By the terms of the agreement, Southern California Edison Company shall not be entitled to any surplus gas until applicant and its affiliate (Southern California Gas Company) shall first have sufficient quantities of natural gas available from oil wells in California and from the out-of-state pipe line at Blythe to meet the requirements for underground storage and to supply all other customers, including wholesale customers.

Applicant has also entered into an agreement to supply natural gas to the Department of Water and Power of the City of Los Angeles for fuel for electric generating purposes. The agreement in this application provides that of the total quantity of gas available to the Southern California Edison Company and the City of Los Angeles, in accordance with the respective contracts, each of said consumers shall be entitled to one half of the total quantity of such gas then available. Provision is also made for the parties to relinquish portions of their respective shares of the available gas to each other in the event either shall not desire one half of the total available gas.

The price of all gas sold and delivered under the proposed agreement will be 24 cents per thousand cubic feet plus or minus one-sixth cent for each one cent that the posted price of fuel oil in tank car lots shall be above or below \$1.70 per barrel. Minimum and maximum rates of 15 cents per Mcf and 30 cents per Mcf respectively are also provided.

The agreement was made and entered into on November 10, 1947 and shall become effective on January 1, 1948, provided appropriate authorization has been granted by this Commission, and will continue in effect for three years and thereafter until cancelled by either party upon ten days' written notice.

The proposed agreement supersedes and cancels that certain agreement dated April 8, 1947 relating to the sale of natural gas by applicant to Southern California Edison Company.*

The agreement contains the provision that it shall at all times be subject to such changes or modifications by the Public Utilities 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, therefore

IT IS ORDERED that Southern Counties Gas Company of California is hereby authorized to enter into that certain proposed agreement with the Southern California Edison Company set forth as Exhibit A, attached to the within application, and to render gas service to said Southern California Edison Company at the rates and under the terms and conditions in said agreement.

* Application No. 28350, Decision No. 40238, issued May 6, 1947.

The effective date of this order shall be 20 days after the date
hereof.

Dated at San Francisco, California, this 17th
day of December, 1947.

Harold P. Kule
Justin F. Craven
Just H. Powell
R. J. Murray

Commissioners

