

Decision No. 41223

ORIGINAL

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of  
SOUTHERN CALIFORNIA GAS COMPANY and  
SOUTHERN COUNTIES GAS COMPANY OF  
CALIFORNIA for an order approving a  
contract and authorizing applicants  
to carry out the terms of their con-  
tract for the operation of facilities  
and the exchange of gas.

Application No. 29004

OPINION AND ORDER

The Southern California Gas Company, hereinafter referred to as the California Company, and Southern Counties Gas Company of California, hereinafter referred to as the Counties Company, request authorization in this joint application to carry out the terms of an agreement for operating certain pipeline facilities and for the exchange of gas.

For some time past applicants have exchanged gas between their respective systems in order to avoid the paralleling of certain transmission facilities. The last such agreement prior to the one covered by this application was entered into on January 1, 1941. Under the terms of that agreement, exchange of gas between the two companies did not include a transport charge as the service rendered by each company to the other was of approximately equal value. With the introduction of Texas gas the exchange requirements of each company have been altered.

Applicants state that they own and operate as tenants in common the California-Texas pipeline, extending from Blythe to the Spence Street Station, and a compressor station at Blythe, California, a 26-inch pipeline extending from Doran Street Station, Glendale, to Wilmington, together with the Spence Street Station.

Under the terms of the new agreement dated November 1, 1947, Counties Company will operate and maintain the California-Texas pipeline between Blythe and Spence Street Station and the Blythe compressor station for the account of the

California Company and Counties Company, as tenants in common. California Company will reimburse Counties Company each month for three-fourths ( $3/4$ ths) of the expense.

California Company will operate and maintain the 26-inch pipeline between Glendale and Wilmington for the joint account of the two companies. Counties Company will reimburse California Company each month for one-fourth ( $1/4$ th) of the expense.

The proposed agreement also provides that the California Company will deliver the gas requirements of the Santa Monica Bay Division served by the Counties Company. The California Company will also deliver for the account of Counties Company such gas as the latter company is required to deliver to Pacific Gas and Electric Company in the San Joaquin Valley area, under the three-party agreement whereby Pacific Gas and Electric Company receives certain volumes of firm and interruptible gas from the southern companies when available. For these volumes of gas delivered by the California Company to Counties Company, or for its account, Counties Company will deliver a like volume to the California Company from one or more points on its system. These points of delivery from Counties Company to California Company are: Newhall; Calabasas; Doran Street Station and Goodwin Avenue Station, Glendale; Spence Street Station; along the California Texas line; and the 26-inch line from Glendale to Wilmington.

In addition to the even exchange of gas volumes between the two companies the California Company will receive a transport charge from the Counties Company as follows:

1. For all gas delivered to Counties Company at Santa Monica Bay Division, Counties Company will pay at the rate of  $1-3/4$ ¢ per Mcf.
2. For all gas delivered to the Pacific Gas and Electric Company for the account of Counties Company in the San Joaquin Valley area under the three-party agreement, Counties Company will pay .4¢ per Mcf for all gas delivered in the Bakersfield area and .1¢ per Mcf for all gas delivered at Kettleman Hills or other points.

It is provided that this agreement supersedes and takes the place of the Exchange Agreement dated January 1, 1941, as amended, and shall become effective as follows:

- (a) With respect to the California-Texas line from Blythe to Santa Fe Springs, October 15, 1947.
- (b) With respect to Santa Fe Springs to Spence Street Station, 26-inch line, December 1, 1947.
- (c) With respect to California Line No. 765, Glendale to Wilmington, August 1, 1946.
- (d) With respect to the balance of the operations, November 1, 1947.

The agreements are to continue in effect until November 1, 1948, and continue thereafter until terminated on ninety (90) days' written notice.

The agreement further provides that it is subject to such changes and modifications as may be ordered by this Commission from time to time in the exercise of its jurisdiction.

A review of the proposed agreement indicates that the terms and provisions included therein are reasonable.

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

IT IS HEREBY ORDERED that the Southern California Gas Company and Southern Counties Gas Company of California are hereby authorized to carry out the provisions of that certain agreement dated November 1, 1947, a copy of which is attached to the application as Exhibit "A".

The effective date of this Order shall be twenty (20) days from and after the date hereof.

Dated at Los Angeles, California, this 17<sup>th</sup> day of February, 1948.

R. I. Anderson  
Robert R. Russell  
Harold P. Kille  
Samuel H. Potter  
Commissioners