

ORIGINAL

Decision No. 43206

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 authorizing Applicant to)
 carry out the terms of such contract)
 for gas service with the UNITED)
 STATES OF AMERICA.)

Application No. 30243

Commander R. Lamoreaux, U.S.N. Air Missile Test
 Center, Point Mugu, California, interested party;
 LeRoy M. Edwards and Milford Springer, by Milford
Springer for applicant.

O P I N I O N

In this proceeding Southern Counties Gas Company of California requests authorization to carry out the terms of a contract with the United States of America, as set forth in Exhibit "A" attached to the application.

A public hearing was held on this matter in Los Angeles on July 8, 1949, before Examiner Crenshaw.

On April 6, 1949, applicant negotiated a contract with the United States of America for gas service to be rendered to the U.S. Naval Air Missile Test Center at Point Mugu, California. It was estimated that this naval activity would require a maximum demand of 51,400 cubic feet of natural gas per hour, with an estimated annual consumption of 112,500 Mcf, resulting in an annual revenue of approximately \$50,000.

Since the applicant's gas facilities at Port Hueneme were inadequate to handle this large additional load, it was necessary to construct a new transmission line approximately 11 miles in length to connect with the main transmission line of the Pacific Lighting

Corporation at a point approximately five miles northeast of Oxnard. The route of the new transmission line then follows along Santa Clara Avenue to Ventura Boulevard; thence along Rice Road to Pleasant Valley Road; thence along the Coast Highway to the Point Mugu project of the U.S. Navy.

The reason for the selection of this route was twofold; that is, service could be made available to a larger number of customers not now receiving gas service and, also, the line could be used to reinforce the gas supply to Oxnard and Port Hueneme. Although the requirements of the Point Mugu project of the U.S. Navy could be supplied through a four-inch line, applicant deemed it advisable to install a gas main of larger capacity in order to take care of additional growth and to provide for future reinforcement of the supply of gas to the cities of Oxnard and Port Hueneme.

Since the service to the U.S. Naval Air Missile Test Center at Point Mugu is dependent upon the availability of government appropriations, it was necessary to consider the project on a temporary basis, requiring the government to make an advance payment of \$96,100. The connection charge is subject to refund in accordance with the provisions of the contract. These provisions differ to some extent from applicant's filed rules and regulations governing the extension of gas service in that, in addition to the usual refunds allowed under the filed extension rule, it is also provided that the connection charge is subject to refund over a period of not to exceed 20 years, on the basis of 15% of the bills rendered for gas service to the Point Mugu project. The charges for gas service are in accordance with applicant's tariffs on file with this Commission.

It is also provided in the contract that it is subject to regulation in the manner and to the extent prescribed by law by any federal, state or local regulatory commission having jurisdiction.

Gas service to the Point Mugu project, according to the record, is for cooking, water heating and space heating, and it is anticipated that the project will be in operation for a number of years. In view of this condition it is expected that there will be considerable growth adjacent to the project, as a large number of civilians is expected to be employed.

Since the rates to be charged are in accordance with the filed tariffs of applicant, the primary reason for requiring a special contract in this particular instance involves deviations in the refunding of the connection charge because refunds under certain conditions may be made over a 20-year period. In addition, the basis for computing such refunds may vary from time to time during this period.

Under the circumstances, we are of the opinion that the granting of the application will not be contrary to the public interest.

O R D E R

Application as above having been filed with the Public Utilities Commission of the State of California, a public hearing having been held thereon, the matter having been duly submitted, and the Commission now being fully advised in the premises,

IT IS HEREBY ORDERED that Southern Counties Gas Company of California be and it is hereby authorized to carry out the terms and conditions of that certain agreement dated April 6, 1949, between Southern Counties Gas Company of California and the United States of America, attached to and made a part of the application

as Exhibit "A", and to render the service therein contemplated and to charge and collect the rates therein contained.

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

Dated at San Francisco, California, this 16th day of August, 1949.

R. Z. [Signature]

[Signature]

[Signature]

Commissioners.