

Decision No. 43326

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

<p>In the Matter of the Application of SOUTHERN CALIFORNIA GAS COMPANY and SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA for an order authorizing Applicants to carry out the terms of a contract dated April 1, 1949, for the exchange of gas.</p>	)	)	)	)	)
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Application No. 30455

OPINION AND ORDER

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

For some time past, applicants have exchanged gas between their respective systems in order to render service to a consumer or consumers beyond the general distribution system of either company, but located adjacent to, or near, the transmission line of the other company. Prior to the new agreement, the California Company and the Counties Company were exchanging gas under an agreement dated April 28, 1938, as filed with this Commission, which provided that where service to a consumer or consumers could be provided at a substantial over-all saving by connection from a transmission line of either company which traverses the territory of the other company, it was mutually agreed that upon written request from one company to the other, the other company, at its expense, would tap its transmission main at a point designated, install a service cock and deliver at the outlet of said service cock all gas which would be required by the retailing company. The retailing company would install meters for measuring gas served

from such mains and services as close as practicable to the transmission lines. For that amount of gas received under the old agreement there was a charge payable to the wholesaling company in accordance with the following rates:

For all gas delivered to domestic and/or commercial consumers - twenty-five cents (25¢) per thousand cubic feet.

For all gas delivered to gas engine consumers - twenty cents (20¢) per thousand cubic feet.

For all gas delivered to surplus industrial consumers and/or oil field consumers - fifteen cents (15¢) per thousand cubic feet.

Gas delivered for resale to surplus industrial and/or oil field customers was subject to curtailment or discontinuance on a price priority basis, determined by the retail selling price in the case of a shortage of natural gas.

Under the new agreement, which cancels and supersedes the agreement dated April 28, 1938, the terms are substantially the same. However, in lieu of the above rates it is provided that the distributing company will deliver currently an equal quantity of gas to the supplying or delivering company at points mutually agreed upon and will pay the delivering company a service charge at the rate of ten cents per Mcf.

It is further provided in the new agreement that the exchange service rendered in accordance with the above conditions does not obligate the delivering company to deliver gas from any particular line and shall continue only during such time as it shall maintain and operate such transmission and/or distribution line and that it shall have the right at any time to cease operation of any transmission or distribution line and/or to remove the same and thereby terminate its obligation to deliver gas without incurring any liability whatsoever to the distributing company or to any of the customers receiving gas from such lines.

Under the circumstances, the service rendered in this manner would not be considered permanent and the customers would be required to sign a waiver when receiving service under these conditions.

The agreement is for a period of one (1) year and thereafter until terminated on sixty (60) days' written notice by either party to the other.

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.

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 Southern California Gas Company and Southern Counties Gas Company of California are authorized to carry out the provisions of that certain agreement dated April 1, 1949, a copy of which is attached to the application as Exhibit "A".

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

Dated at Los Angeles, California, this 20<sup>th</sup> day of September, 1949.

R. E. [Signature]  
Justice J. Calver  
Irving P. [Signature]  
Harold P. [Signature]  
[Signature]  
Commissioners.