

Decision No. 44167**ORIGINAL**

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 with Union Oil Company of
California for the exchange of gas.

Application No. 31315

OPINION AND ORDER

Southern Counties Gas Company of California (hereinafter referred to as applicant) requests approval and authority to execute a contract with Union Oil Company of California (hereinafter referred to as consumer) to carry out the terms of an agreement for the exchange of gas.

Under the terms of this agreement, it is provided that applicant will deliver to consumer in the Montebello Field, gas sufficient to meet consumer's field and compressor plant fuel requirements in an amount not exceeding 1,000 Mcf per day. The gas which applicant will supply to consumer will be substituted by consumer for the wet gas which it would otherwise use for field and compressor plant purposes, thus releasing the residue of such wet gas for delivery to applicant's nominee at Santa Fe Springs.

Consumer agrees that it will deliver currently to applicant's nominee for applicant's account at consumer's Santa Fe Springs plant, free of charge and at specified delivery pressures, a volume of gas equivalent to applicant's deliveries to consumer at Montebello. Such gas delivered by consumer to applicant must be free from foreign substances which adversely affect the marketability of the gas or which are injurious to applicant's nominee's pipe lines or other facilities

and shall not be less than 1,000 gross Btu per cubic foot. For the gas so delivered under this contract, consumer will pay applicant \$300 per month.

The term of this agreement is for one (1) year and thereafter until terminated by either party upon sixty (60) days' written notice.

The agreement does not contain any curtailment or shutoff clause with respect to the gas delivered to the consumer by applicant in the Montebello Oil Field by reason of the fact that any reduction in applicant's delivery of gas to consumer under this agreement would necessitate the use for fuel purposes of wet gas produced in the Montebello Field by consumer, thereby nullifying the effect of such curtailment upon the volume of gas available to applicant.

It is further provided that this agreement shall not become effective until authorization has been obtained from the California Public Utilities Commission to carry out its terms, and it shall be subject at all times to such changes or modifications as may be ordered by this Commission from time to time in the exercise of its jurisdiction.

The Commission having considered the petition and 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 Counties Gas Company of California is hereby authorized to consummate that certain agreement with Union Oil Company of California, dated April 5, 1950, a copy of

which is attached to the application as Exhibit "A," and to render the service under the terms, charges, and conditions stated therein.

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

Dated at San Francisco, California, this 16th day of May, 1950.

R. Z. Indurana
Justice J. Galligan
Dean H. Russell
Harold H. Hule
Permeth Potter
Commissioners.