

ORIGINAL

Decision No. 45974

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 author-)
izing Applicant to carry out the)
terms of such contract with The)
Department of Water and Power of)
the City of Los Angeles, for the)
sale of "dump" gas.)

Application No. 32554

OPINION AND ORDER

Southern Counties Gas Company of California, by the above-entitled application filed July 3, 1951, requests an order of the Commission authorizing it to carry out the terms and conditions of a contract dated May 26, 1951, with the Department of Water and Power of the City of Los Angeles. Said agreement relates to the sale and delivery of natural gas on an interruptible basis for fuel in the steam-electric generating plants of the Department of Water and Power located at Wilmington and Seal Beach, California. A copy of said contract is attached to the application, marked Exhibit A, and by reference made a part hereof for all purposes.

The proposed contract in almost all respects is a continuation of the contract, dated November 21, 1947, between the parties authorized by this Commission in Decision No. 41007, issued December 17, 1947. The prior contract was effective for a term of three years, which expired on May 26, 1951. The proposed contract herein extends the expiration date of the original agreement to December 31, 1951.

The rate for all gas sold and delivered under the 1947 contract was 24 cents per 1,000 cubic feet, plus or minus one-sixth

of a cent for each one cent that the posted price of fuel oil in tank car lots was above or below \$1.70 per barrel. Originally, the contract provided for minimum and maximum rates of 15 cents and 30 cents per 1,000 cubic feet, respectively. This portion of the rate provision was modified by letter agreement dated January 25, 1951, which established a maximum rate of 21½ cents per 1,000 cubic feet. The contract proposed herein contains the same 21½-cent maximum rate provision.

By the terms of the proposed agreement, the Department of Water and Power shall not be entitled to receive any natural gas until applicant and its affiliate, Southern California Gas Company, shall first have sufficient gas available from oil wells in California and from the out-of-state pipe line at Blythe to satisfy each of their requirements for gas for underground storage and to supply with natural gas all their other customers, including wholesale customers.

Applicant also sells and delivers natural gas under the corresponding rates and conditions to the Southern California Edison Company for use in that company's steam-electric generating plant in Long Beach. Likewise, Southern California Gas Company furnishes similar gas service to Southern California Edison Company for use in its steam-electric generating plant at Redondo Beach, California.

The Commission having considered the request of applicant, and being of the opinion that the application should be granted and that a public hearing is not necessary; therefore,

IT IS HEREBY ORDERED that applicant be and it is authorized to carry out the terms and conditions of the written contract with the Department of Water and Power of the City of Los Angeles, set forth as Exhibit A, attached to the within application, and to

render the service described therein under the terms, charges, and conditions stated therein, subject to the following conditions:

1. Applicant shall file with the Commission within thirty (30) days after the effective date of this order, two certified copies of the contract as executed, together with a statement of the date on which the contract is deemed to have become effective.
2. Applicant shall notify this Commission of the date of termination of said contract within thirty (30) days from and after said date of termination.

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

Dated at San Francisco, California, this 24th day of

July, 1951.

R. F. [Signature]
Justice J. Calver
Harold B. [Signature]
[Signature]
[Signature]
 Commissioners.