

ORIGINAL

Decision No. 47017

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
SOUTHERN CALIFORNIA GAS COMPANY, a)	
corporation, for an order of the)	
Commission authorizing Applicant to)	Application No. 33159
carry out the terms of a written gas)	
exchange agreement dated December 1,)	
1951, between Applicant and Standard)	
Oil Company of California.)	

OPINION AND ORDER

Southern California Gas Company (hereinafter referred to as applicant) requests approval and authority to execute a gas exchange agreement dated December 1, 1951, with Standard Oil Company of California (hereinafter referred to as Standard) to carry out the terms of said exchange agreement.

Applicant and Standard are currently exchanging gas under the terms of a gas exchange agreement dated April 1, 1949. This Commission authorized applicant to render the gas service and charge the rates set forth therein, under the conditions and terms of that agreement on June 14, 1949. The new gas exchange agreement with Standard dated December 1, 1951, which is attached to this application and marked Exhibit A, terminates the gas exchange agreement dated April 1, 1949.

The new gas exchange agreement provides for the delivery of gas by applicant to Standard for use in certain facilities operated by Standard in connection with its oil operations for which Standard pays an exchange service charge, and the receipt of a like quantity of gas by applicant from various sources of supply in Kern County, California. As provided in Article 6 of the new gas

exchange agreement, applicant reserves the right to discontinue such exchange service when, in its opinion, it requires its facilities and/or the gas which it agrees to deliver to Standard thereunder, to serve its domestic, commercial or industrial customers, or other public utilities to whom it sells natural gas, or for underground gas storage.

By the terms of the exchange agreement, applicant agrees to deliver from its pipe lines to Standard, at specified delivery pressures, such quantities of natural gas as Standard may require from said sources in carrying out its operations at Bakersfield Refinery, Lokern Pumping Station, El Segundo Refinery and the Hynes Pumping Station.

Standard agrees to deliver to applicant at points where it is currently delivering gas into the pipe lines of applicant, free of charge and at a specified delivery pressure, a quantity of natural gas equal to the quantity delivered to Standard at the locations hereinbefore specified.

For all natural gas delivered by applicant to Standard during any calendar month of the first 2½-year period at the locations hereinbefore specified, Standard agrees to pay applicant the following exchange service charges:

<u>Delivery Point</u>	<u>Service Charge Per Mcf</u>
Bakersfield Refinery	4 cents
Lokern Pumping Station	4
El Segundo Refinery	6½
Hynes Pumping Station	6½

In accordance with the terms of the agreement, the exchange rates to be paid by Standard and the prices to be paid by applicant under a separate gas sales agreement shall be mutually determined during the remaining 2½-year period of the term of this exchange agreement. In the absence of mutual agreement or notice of

termination, then the rates in the exchange agreement and the prices in the sales agreement shall remain in effect during said remaining 2½-year period.

The term of the exchange agreement is to November 30, 1956 provided, however, that if the gas sales agreement should terminate, then the exchange agreement also shall terminate.

It is further provided that the proposed agreement shall not become effective until authorization has been obtained from the California Public Utilities Commission to carry out its terms, and that 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 request of applicant and it being of the opinion that the application should be granted, that a public hearing in the matter is not necessary, and good cause appearing; therefore,

IT IS HEREBY ORDERED that Southern California Gas Company is authorized to enter into that said proposed exchange agreement with Standard Oil Company of California set forth as Exhibit A and attached to the application, and to render the service described therein 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 22nd day of

April, 1952.

[Signature] President.
Justus F. Casper
Harold P. Hill
[Signature]
[Signature] Commissioners.