

ORIGINAL

Decision No. 47550

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 Authorizing 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 Surplus Gas.)

Application No. 33554

OPINION AND ORDER

Southern Counties Gas Company of California, by the above-entitled application filed July 9, 1952, requests an order of the Commission authorizing it to carry out the terms and conditions of a contract dated May 22, 1952, 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 prior contracts, one dated November 21, 1947 and the other dated May 26, 1951, which were authorized by this Commission in Decisions Nos. 41007 and 45974, respectively. The proposed agreement herein was entered into the 22d day of May, 1952 and shall become effective as soon as applicant shall be ready to commence rendering service, and shall continue in effect through December 31, 1952.

The rate for all gas sold and delivered under the proposed agreement will be $21\frac{1}{2}$ cents per 1,000 cubic feet, minus $\frac{1}{6}$ cent for each cent that the posted price of fuel oil in tank car lots shall be below \$1.55 per barrel. Maximum and minimum rates are provided at $21\frac{1}{2}$ cents and 17 cents per 1,000 cubic feet, respectively.

By the terms of the proposed agreement, the Department of Water and Power shall not be entitled to receive any natural gas until applicant shall first have sufficient quantities of natural gas available to satisfy requirements for gas for underground storage and to supply with natural gas all 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. The agreement in this application provides that the total quantity of surplus natural gas which applicant has available for sale to Southern California Edison Company for steam-electric generation and to the Department of Water and Power of the City of Los Angeles for the same purpose shall be divided equally.

The agreement contains a provision that at all times it shall be subject to change or modification by this Commission in the exercise of its jurisdiction. In this respect, however, it is observed that the agreement provides that should the rate payable thereunder be increased by this Commission, then the Department of Water and Power of the City of Los Angeles shall have the right to terminate the agreement by giving thirty (30) day's written notice to the applicant.

Reference should be made to Decision No. 44741, dated August 29, 1950, Application No. 30299 wherein the Commission stated that all gas service should be supplied on a filed tariff basis and to the extent that existing contracts differ from the filed tariff schedules, such contracts should be brought into harmony with these schedules. Consistent with this opinion, the Commission is of the opinion that if in the future it is not possible to harmonize the filed tariff schedules with the service rendered large steam-electric generating plants, applicant should file a tariff schedule applicable for such service.

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 and when service was first rendered under the agreement.

- 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 19th day of August, 1952.

R. F. Ingraham
President.
Justin J. Quacken
Harold Hula
John E. Mitchell
Commissioners.

Commissioner Kenneth Potter, being necessarily absent, did not participate in the disposition of this proceeding.