

**ORIGINAL**Decision No. 5555

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of ) SOUTHERN CALIFORNIA GAS COMPANY for ) an order authorizing Applicant to ) lease approximately 8.7 miles of its ) 12" pipeline No. 400 located in ) Ventura County, California. )	Application No. 39313
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OPINION AND ORDER

Southern California Gas Company by the above-entitled application filed August 7, 1957, requests an order of the Commission authorizing it to carry out the terms and conditions of a lease in letter form dated July 17, 1957 between applicant and Shell Oil Company. The lease relates to a section of 12" Line No. 400, approximately 8.7 miles in length, in Ventura County, and establishes the charges to be made for the use of the pipeline. A copy of the lease is attached to the application, marked Exhibit "A", and by reference made a part hereof for all purposes.

The lease provides that the portion of applicant's line to be leased by Shell Oil Company extends from the Pacific Lighting Gas Supply Company Mills Road Meter Station to applicant's main line valve to be installed approximately 900 feet east of Cummings Road. The lease provides that Shell Oil Company will use this section of pipeline to transport natural gas and entrained natural gasoline from the Saticoy Field to its Ventura Gasoline Plant.

The lease is agreeable to applicant and Shell Oil Company subject to the following conditions:

1. The Southern California Gas Company reserves the right, after prior notification to Shell, to temporarily resume usage of the leased portion of the pipeline in the event such action is required

due to failure of Southern Counties' parallel pipeline and to temporarily shut down or reduce pressure on the pipeline to perform necessary maintenance.

2. The pipeline shall not be operated in excess of the maximum allowable pressure of 400 psig.
3. All required operation and maintenance of the pipeline will be performed by Southern California Gas Company. Minor maintenance cost such as leak repair will be billed to Shell Oil on a direct cost basis plus normal company overheads. Major replacement or relocation cost will be borne by the Southern California Gas Company.
4. No water, oil, dust or corrosive materials will be allowed to enter the pipeline.
5. Upon termination of the lease the pipeline will be returned to Southern California Gas Company free of moisture or other contaminate residue resulting from operation by Shell.

By terms of the lease, Shell Oil Company will pay applicant monthly, one twelfth of the following annual fees:

First year commencing with date of initial operation ..	\$40,000
Second year .....	40,000
Third year .....	35,000

Fees subsequent to the third year will be determined by mutual agreement.

Any such agreement as to fees subsequent to the third year must be authorized by the Commission before it shall become effective.

The term of the lease agreement is for one year and is subject to renewal from year to year thereafter. The lease provides that it shall not become effective until applicant shall have obtained an order of the California Public Utilities Commission authorizing the same.

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 as follows:

1. Applicant be and it is authorized to carry out the terms and conditions of the written lease, dated July 17, 1957, with Shell Oil Company.
2. Applicant shall file with the Commission a statement of the date on which the lease is deemed to have become effective.
3. Applicant shall notify this Commission of the date of termination of said lease within thirty days from and after said date of termination.

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

Dated at San Francisco, California, this 10th day of SEPTEMBER, 1957.

[Signature]  
 President

[Signature]

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 Commissioners