

ORIGINAL

Decision No. 55577

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
SAN DIEGO GAS & ELECTRIC COMPANY, a)	
corporation, for a Certificate of)	Application No. 39197
Public Convenience and Necessity to)	
install an additional compressor unit)	
at its Moreno Compressor Station.)	

Chickering and Chickering by C. Hayden Ames
for applicant.

Robert O. Randall for the Commission's staff.

O P I N I O N

San Diego Gas & Electric Company, engaged as a public utility in the business of furnishing electric service in the Counties of San Diego and Orange, gas service in the County of San Diego, and limited steam service within the City of San Diego, filed the above-entitled application on July 3, 1957. Applicant requests a certificate under Section 1001 of the Public Utilities Code that present and future public convenience and necessity require and will require the construction and operation of an additional 1100 hp compressor unit at the Moreno compressor station.

A public hearing was held in San Diego before Examiner Mark V. Chiesa. Oral and documentary evidence having been adduced, the matter was submitted for decision.

Gas is delivered to San Diego over the 12-3/4-inch line extending from Huntington Beach to San Diego, and over the 16-inch

line extending from a tap on the Blythe to Santa Fe Springs line (owned jointly by Southern California Gas Company and Southern Counties Gas Company) near Moreno to a point on the San Diego-Riverside county line near Rainbow. The Huntington Beach line and that portion of the Moreno line lying outside the County of San Diego are owned and operated by Southern Counties Gas Company. Applicant owns and operates a 2200 hp compressor station near Moreno. A certificate for the construction of this station was granted by Decision No. 51946, dated September 6, 1955, in Application No. 37112.

Applicant proposes to increase the deliverability of the Moreno line from 112,000 Mcf per day to 126,000 Mcf per day by installing an additional 1100 hp compressor unit, together with all necessary auxiliary equipment and building extensions at the Moreno location. The estimated cost of the addition is \$365,196, and the estimated annual fixed charges, operating and maintenance costs, are estimated to be \$79,753, including a 6 percent return on investment, as shown in the Exhibits C and D attached to the application. Applicant proposes to finance the construction of the 1100 hp addition to its Moreno compressor plant from available funds or funds to be obtained through the sale of securities, applications for the issuance of which will be filed with the Commission.

The record shows that without the proposed Moreno compressor station addition, the total deliverability of natural gas to San Diego in the winter of 1957-58 is 137,000 Mcf per day, 6.9 Mcf per day less than the estimated 1957-58 extreme peak day firm

demand of 143,900 Mcf per day. The proposed compressor station addition will increase the deliverability to 151,000 Mcf per day. A witness for applicant stated that applicant, after considering alternate means of increasing the gas supply to San Diego, concluded that the addition of the proposed compressor unit is the most practical method available for increasing the gas supply in the time and amount required to meet the estimated extreme peak day firm demand for the 1957-58 winter season. It was testified that as San Diego's requirements increased, additional delivery capacity would most logically be provided by further expansion of the Moreno-San Diego line. This witness further testified that the proposed compressor capacity would be an integral part of the ultimate design of this pipe line.

The present contract between the applicant and Southern Counties Gas Company of California, Exhibit No. 3 in this proceeding, provides for daily contract demand deliveries to San Diego of 120,000 Mcf per day with a provision for an increase to 127,500 Mcf on November 1, 1957, dependent upon Southern Counties Gas Company of California receiving increased deliveries from El Paso Natural Gas Company, as covered by a Letter of Intent dated January 30, 1956. In addition, the contract provides for firm peak day deliveries in excess of contract demand up to a maximum of 20,000 Mcf per day, provided that such excess gas is available to Southern Counties Gas Company of California from existing sources of supply and facilities and that delivery can be made without the curtailment of firm customers of Southern Counties Gas Company of California and Southern California Gas Company. It was testified

that in a "Report to the Public Utilities Commission of the State of California on Availability of and Demands for Gas in California, Years 1956-1958, Winter Seasons 1956-1957 through 1958-1959", submitted as Exhibit 7 in Case No. 5924 by Pacific Gas and Electric Company, Pacific Lighting Gas Supply Company, Southern California Gas Company and Southern Counties Gas Company of California (entered in this proceeding as Exhibit 2), that the amount of gas necessary to meet the estimated extreme peak day firm demand for the 1957-58 winter season is indicated to be available to San Diego.

Exhibit B of the application is an agreement between applicant and Southern Counties Gas Company of California for the installation of the proposed Moreno compressor station addition. Such agreement is necessary because the Moreno compressor station is located within the gas service area of Southern Counties Gas Company of California.

The evidence clearly shows the need for increased supply deliverability to insure the ability of applicant to supply its firm load for the coming winter. The proposed construction will provide the necessary deliverability and it will be authorized.

We find that public convenience and necessity require the granting of applicant's request.

The certificate of public convenience and necessity herein granted is subject to the following provisions of law:

1. That the Commission shall have no power to authorize the capitalization of the franchise involved herein or this certificate of public convenience and necessity or the right to own, operate or enjoy such franchise or certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State or to a

political subdivision thereof as the consideration for the grant of such franchise, certificate of public convenience and necessity or right.

- 2. That the franchise involved herein shall never be given any value before any court or other public authority in any proceeding of any character in excess of the cost to the grantee of the necessary publication and any other sum paid by it to the municipality therefor at the time of the acquisition thereof.

O R D E R

A public hearing having been held in the above-entitled matter, the Commission being fully advised in the premises, and having found as hereinabove set forth,

IT IS HEREBY ORDERED that:

1. Applicant be and it is granted a certificate that public convenience and necessity require the construction and operation of an additional 1100 hp compressor unit, together with all auxiliary equipment and building extensions, at its Moreno Compressor Station.

2. Applicant shall file with this Commission a statement of the date on which the additional compressor unit herein authorized becomes operative, within thirty days after the operative date.

The authorization herein granted will expire if not exercised within one year from the date hereof.

Dated at San Francisco, California, this 17th day of September, 1957.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners