

ORIGINAL

Decision No. 55981

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SOUTHERN CALIFORNIA GAS COMPANY and)
SOUTHERN COUNTIES GAS COMPANY OF)
CALIFORNIA for authorization to)
carry out the terms of an Agreement)
reallocating gas supply and)
transmission costs.)

Application No. 35690
(First Supplemental)

FIRST SUPPLEMENTAL ORDER

Southern California Gas Company and Southern Counties Gas Company of California, on November 8, 1957, jointly filed the first supplemental application herein, asking authorization from this Commission to continue to carry out the terms of their gas supply and transmission and storage cost reallocation agreement dated August 4, 1954, as provided in the agreement dated November 5, 1957 attached to the application as Section A of Exhibit 1.

The agreement dated August 4, 1954 was approved by the Commission in Decision No. 50718 after public hearings were held. This agreement is due to expire December 31, 1957, and applicants have requested extension of the existing agreement without change until January 1, 1963. The basic agreement contains the usual jurisdictional clause. The clause does not give the Commission jurisdiction. In effect, it merely places parties on notice that the Commission has jurisdiction.

Applicants allege that through operation of this agreement it has been possible to equalize unit costs of purchased gas and to reallocate the annual costs associated with jointly-used transmission and storage facilities in proportion to gas purchases of the two companies. The application shows that the trend of

the two companies' gas purchases has in the past five years approached a 70%-30% ratio, which is the current billing percentage of all gas purchased from El Paso Natural Gas Company. The 1955 ratio was 69.59%-30.41% and the 1956 ratio was 69.99%-30.01%.

Based upon the facts as presented in the application and the experience to date under the present agreement, it appears that a public hearing is not necessary herein and that said first supplemental application should be granted, therefore, good cause appearing;

IT IS HEREBY ORDERED that Southern California Gas Company and Southern Counties Gas Company of California are authorized to extend the term of their gas supply and transmission and storage cost reallocation agreement dated August 4, 1954 to January 1, 1963 as provided in the agreement dated November 5, 1957.

In all other respects Decision No. 50718 shall remain in full force and effect.

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

Dated at San Francisco, California, this 16th day of December, 1957.

[Signature]
 _____ President
[Signature]

[Signature]

[Signature]

 Commissioners