

ORIGINAL

Decision No. 57493

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application of)
PACIFIC GAS AND ELECTRIC COMPANY and
SOUTHERN COUNTIES GAS COMPANY OF
CALIFORNIA for an order authorizing
applicants to carry out the terms of
an agreement dated the 8th day of
August, 1958, covering the temporary
exchange of gas along Pacific Gas and
Electric Company's KETTLEMAN HILLS-
MORRO EAY pipeline.

Application No. 40459

OPINION AND ORDER

In this application Pacific Gas and Electric Company and Southern Counties Gas Company of California request authority to carry out the terms of an agreement dated August 8, 1958, covering the temporary exchange of gas along Pacific's Kettleman Hills-Morro Bay gas pipeline. A copy of the agreement is attached to the application as Exhibit A and made a part thereof by reference. A map showing the general location of the Morro Bay pipeline and the proposed taps is attached to the application as Exhibit B and made a part thereof by reference.

Applicants' Position

As pointed out in the agreement, Southern Counties desires to obtain for a temporary period, terminating September 30, 1961, an amount of gas up to 800,000 cubic feet per hour to supplement its available supply during periods of abnormal firm peak loads in its San Luis Obispo-Paso Robles service area.

Southern Counties has determined that the most expeditious and inexpensive way in which it can presently obtain the necessary gas during a temporary period is from Pacific's Morro Bay pipeline which furnishes gas to Pacific's Morro Bay steam-electric generating plant. Accordingly, under the agreement, Pacific would supplement Southern Counties available supplies of gas from taps in the vicinity of Atascadero and Morro Bay to meet the abnormal loads. In return for this gas, Southern Counties has agreed to deliver or cause to be delivered to Pacific into the same pipeline, at or near Pacific's Kettleman Hills compressor station, an equivalent quantity of gas.

Southern Counties agrees to pay Pacific a sum of \$3,560 per month for its proportionate share of its annual cost of operating and maintaining the Morro Bay line, plus such monthly amount as is required to amortize fully, during the term of the agreement, the cost of the taps, pressure regulating and meter equipment required to deliver the exchange gas.

The contract further provides that if Pacific is required to curtail its own use of gas at its Morro Bay plant in order to make deliveries of exchange gas hereunder, Southern Counties will reimburse Pacific for all of its out-of-pocket costs incurred by reason of such curtailment. Further, on the remote chance that oil might not be available at Morro Bay at the time when Southern Counties requests delivery of exchange gas, Pacific would have priority of use of the gas carried in the pipeline to serve its steam generating plant. Thus, the rights of Pacific and its electric customers in the area would be fully protected, and at the same time the gas customers of Southern Counties will be provided with gas during abnormal firm peaks in the most economic way possible. The agreement contains the

provision that it shall at all times be subject to such changes or modifications as the Commission may from time to time direct in the exercise of its jurisdiction.

Findings and Conclusions

The Commission is of the opinion that the applicants' request should be granted so that Southern Counties may have this additional supply of gas during periods of abnormal firm peak loads in the San Luis Obispo-Paso Robles service area. Being of the further opinion that a public hearing hereon is not necessary, therefore,

IT IS HEREBY ORDERED that:

1. Applicants are authorized to carry out the terms of an agreement dated the 8th day of August 1958.
2. Applicants shall file three certified copies of the agreement as executed within thirty days after the effective date of this order.
3. Applicants shall notify this Commission of the date of termination of said agreement within thirty days after said date of termination.

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

Dated at San Francisco, California, this 21st day of October, 1958.

[Signature]  
President

[Signature]

[Signature]

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Commissioners