

Decision No. 62354

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application	)	
of SOUTHERN COUNTIES GAS COMPANY	)	
OF CALIFORNIA, a corporation, for	)	
authority to extend gas service	)	Application No. 43383
territory and deviate from filed	)	
tariff schedules to serve NORTH	)	
AMERICAN AVIATION, INC.	)	

OPINION AND ORDER

Applicant's Request

By the above-entitled application, filed May 8, 1961, Southern Counties Gas Company of California seeks an order of this Commission granting authority to (1) extend gas service into territory not now shown in applicant's filed tariff schedules as being within its service area, and (2) serve a facility located in said territory under a deviation from the provision of Special Condition No. 2, Paragraph A, of Schedule No. G-50, pertaining to the requirement of standby fuel and equipment.

Proposed Service

Applicant proposes to supply natural gas service to industrial customers in Burro Flats in the Simi Hills on the eastern edge of Ventura County. The customers requesting service are Atomics International and Rocketdyne, both divisions of North American Aviation, Inc. They have contracts with the Atomic Energy Commission and other governmental agencies and private companies.

Southern Counties proposes to install approximately 40,250 feet of 12-inch supply pipeline and some 17,400 feet of main ranging from 6- to 3-inch diameter in and around Burro Flats area to serve the various North American facilities. The total cost of

the proposed pipeline installation is approximately \$457,000, of which \$162,700 is attributable to service requested by North American. Applicant avers that this additional pipeline capacity can be installed under the provisions of its extension rules without an advance deposit, providing the Commission authorizes expansion of Rate Area 22. Construction of the project is planned to begin promptly and the pipeline will be ready for service on August 31, 1961.

Gas loads to North American are composed of firm and interruptible requirements. Firm usage will have a monthly average range of 5,100 Mcf to 15,700 Mcf during the three years. The monthly interruptible load is needed by Atomics International and will range from an average of 7,200 Mcf to 42,300 Mcf. Total usage in that operation at maximum load is expected to be 47,000 Mcf per month, 90 per cent of which will be interruptible and 10 per cent firm.

#### Franchise

Applicant states that it is the only distribution gas utility franchised to serve within Ventura County under a franchise granted for a period of 40 years under Ordinance No. 429, adopted April 5, 1949, by the Board of Supervisors of Ventura County. A certificate to exercise this franchise was granted by the Commission in Decision No. 43039, dated June 28, 1949.

#### Tariff Proposal

Applicant proposes to expand Rate Area 22 southerly, within Ventura County, to the northeast boundary of Rate Area 12 near the community of Thousand Oaks, and the southerly boundary of Ventura County in T.1 N., R.17-18 W., S.B.B. & M. and extend the applicability of Schedules Nos. G-7, G-20, G-26, G-30, G-41, G-45 and G-50 to the expanded Rate Area 22.

Deviation

Applicant has been requested by North American Aviation, Inc., to supply interruptible service to its Atomics International Division, under Schedule No. G-50, Interruptible Natural Gas Service, without the standby fuel and equipment normally required. This service is required in connection with the operation of the sodium component test installation for liquid sodium heating and performance testing. The application states the following factors justify this deviation:

1. The deviation will apply only to the sodium component test installation which facility is solely for testing operations and can be curtailed without disrupting the test program or other operations on the premises.
2. The amount of fuel oil consumed each day of curtailment would require the use of many tank trucks for delivery. The private service roads serving Burro Flats are narrow and have sharp turns not capable of sustaining this type of traffic. Oil drippings from trucks would create a "slick" hazard on these roads.
3. No personnel lay-off will result from curtailment.
4. Applicant and North American have stipulated that no curtailment priority will be granted or requested different from that which would exist if the customer were requesting regular service under Schedule No. G-50.
5. Testing at this facility can continue during gas curtailment because firm gas usage will approximate 10 per cent of the maximum requirements and tests can be continued on a reduced scale at this level of usage.
6. Service under this deviation is to be limited to a period ending December 31, 1964.
7. Minimizing the costs of these testing operations is in the public interest since the work is under contract with the Atomic Energy Commission, which supplies a major portion of the funds to carry on this work.

The application includes a letter from North American stipulating that Atomics International will not lay off any of

the operation personnel working directly on this test program as a result of curtailment of interruptible gas service and that no curtailment priority will be requested or granted different from that which would exist if service were being rendered as if standby facilities were installed.

#### Findings and Conclusions

The Commission has in the past authorized a waiver of the requirement that standby fuel facilities be maintained where interruptible natural gas is to be used in only five instances each involving use of gas as a raw product.<sup>1</sup> In these prior applications, the customer has indicated that his work operations could continue in full force during periods of curtailment and the customer has similarly so indicated here. The use in this case of gas for research and testing purposes is reasonably comparable to prior authorizations where use was as a raw product.

The Commission is of the opinion that the applicant's request should be granted to supply gas service to North American Aviation, Inc., under the proposed conditions and extend its gas service territory. However, applicants for deviations from the tariff requirements of standby facilities and fuel for interruptible service are placed on notice of the Commission's concern that gas service be furnished in accordance with filed tariffs and that due consideration must be given to the use of alternate schedules of gas service where the use of gas is for heating purposes. In authorizing interruptible service without standby equipment as a deviation from the regularly filed tariffs, applicant and customer are placed on notice that natural gas service to firm customers is paramount and that the Commission expressly reserves the jurisdiction to discontinue this deviation service at any time where the supply to firm

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<sup>1</sup> Decisions Nos. 50396 (Aug. 10, 1954), 57465 (Oct. 15, 1958), 57376 (Sept. 29, 1958), 58321 (April 28, 1959), and 62013 (May 22, 1961).

customers may be impaired. North American Aviation, Inc., and the applicant are placed on notice that North American must accept, without question, curtailment of interruptible gas service when notified by applicant to do so pursuant to the tariff provisions. Being of the further opinion that a public hearing hereon is not necessary; therefore,

IT IS HEREBY ORDERED that:

1. Applicant is authorized to expand its Rate Area 22 to include the new area as proposed and shown on the map in Exhibit A attached to the application and extend the applicability of Schedules Nos. G-7, G-20, G-26, G-30, G-41, G-45 and G-50 throughout the expanded Rate Area 22.
2. Applicant is authorized to provide interruptible gas service under Schedule No. G-50 to the sodium component test installation of North American's Atomics International Division without requiring adequate standby fuel and equipment until December 31, 1964.
3. Applicant shall file revised tariff schedules containing the changes authorized in ordering paragraph No. 1 in accordance with General Order No. 96 thirty days before gas service is furnished to North American Aviation, Inc.

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

Dated at San Francisco, California, this 1st day of August, 1961.

Robert A. Roy  
President  
Henry H. Hall  
John Fox  
George J. Thayer  
Frederick B. Hallock  
Commissioners