

ORIGINAL

Decision No. 69869

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SOUTHERN CALIFORNIA GAS COMPANY for)
an order of the Commission authoriz-)
ing it to furnish RESERVE OIL AND GAS)
COMPANY, without further charge,)
certain quantities of gas paid for)
but not taken. (Gas)

Application No. 47835
(Filed August 23, 1965)

OPINION AND ORDER

Southern California Gas Company (Southern) requests an order under Section 532 of the Public Utilities Code and Section X, Subsection A of General Order No. 96-A, authorizing Southern to furnish Reserve Oil and Gas Company (Reserve), without further charge, 35,633 Mcf of gas over a period of consecutive months to cover quantities of gas paid for but not taken during the start-up period of Reserve's ammonia plant near Hanford, California, and grant such additional or different authorization as the Commission may deem to be appropriate.

On or about March 2, 1965, Southern entered into an agreement with Reserve for the sale of gas under firm Schedule No. G-6 and interruptible Schedule No. G-50A. Authorization was granted by Decision No. 68894, dated April 20, 1965, in Application No. 47425, to deviate from the standby requirements of Special Condition 2 of interruptible Schedule No. G-50A.

Due to unexpected plant start-up difficulties, Reserve was able to use only 18,711 Mcf of gas in the period May 14 to June 23, 1965. Applicable minimum charges amounted to \$21,333.33 for this period and represent a unit rate in excess of \$1.00 per Mcf. By June 23, 1965, the ammonia plant was operating at close to normal capacity.

The minimum charges which Reserve paid for during the period May 14 to June 23, 1965, would have entitled it to 54,344 Mcf of gas or a volume of 35,633 Mcf more than was actually taken. Applicant desires to make an equitable adjustment of the charges paid by Reserve for gas not received during the start-up period of the ammonia plant and proposes that Reserve be furnished over a period of months, without further charge, the 35,633 Mcf of gas paid for by Reserve through minimum charges but not taken due to the unforeseen start-up difficulties. Such quantity of gas to be supplied in any month shall be limited to the amount of consumption for that month less the quantity of gas Reserve is entitled to receive for the applicable monthly charge of \$16,000.

The Commission finds that:

1. An adjustment of charges as suggested by applicant is not adverse to the public interest.
2. The method of adjustment proposed by applicant is equitable.
3. A public hearing is not necessary.

Based on the foregoing findings, the Commission concludes that the application should be granted; therefore,

IT IS ORDERED that:

1. Southern California Gas Company is hereby authorized to furnish Reserve Oil and Gas Company without further charge, 35,633 Mcf of gas over a period of consecutive months in accordance with the method proposed by applicant in this application.
2. Until such 35,633 Mcf of gas shall have been taken, Southern California Gas Company shall each month notify this Commission, in writing, of the total amount of gas supplied during such month to Reserve Oil and Gas Company and also set forth the amount supplied without charge.

3. Southern California Gas Company shall notify this Commission, in writing, when the full amount of the aforementioned 35,633 Mcf of gas has been supplied without charge to Reserve Oil and Gas Company.

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

Dated at San Francisco, California, this 2nd day of November, 1965.

Friedrich B. Hallock
President

Arthur C. Mitchell

Augustus

William A. Dennis

George G. Grover
Commissioners